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NOMINATIONS OF: RICHARD CORDRAY AND MARY JO WHITE

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

ON

NOMINATIONS OF:

RICHARD CORDRAY, OF OHIO, TO BE DIRECTOR OF THE BUREAU OF CONSUMER FINANCIAL PROTECTION

MARY JO WHITE, OF NEW YORK, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION

MARCH 12, 2013

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NOMINATIONS OF:

RICHARD CORDRAY, OF OHIO, TO BE DIRECTOR, BUREAU OF CONSUMER FINANCIAL PROTECTION;

MARY JO WHITE, OF NEW YORK, TO BE A MEMBER, SECURITIES AND EXCHANGE COMMISSION

TUESDAY, MARCH 12, 2013

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 10:04 a.m., in room SD–538, Dirksen Senate Office Building, Hon. Tim Johnson, Chairman of the Committee, presiding.

OPENING STATEMENT OF CHAIRMAN TIM JOHNSON

Chairman JOHNSON. I call this hearing to order.

Today we consider the President's nominees to head the CFPB and the SEC. In response to the financial crisis, the Wall Street Reform Act charged these two agencies with leading roles in restoring consumer and investor confidence in our financial system.

Richard Cordray has been nominated to lead the CFPB and has served as Director since January 2012. Prior to that, Director Cordray was Chief of Enforcement at the CFPB. He has a long history of public service, including serving as Ohio's attorney general, State treasurer, State representative, and Solicitor General. We will hear more about Director Cordray when Senator Brown introduces him.

Since his first confirmation hearing in September 2011, Director Cordray has appeared before this Committee more than any other financial regulator. During that time, he has proved to be a strong leader of the CFPB. He has completed many of the rules required by Wall Street reform, including a well-received final QM rule. He listens and has crafted strong rules that take into account all sides of an issue. He has laid the groundwork for nonbank regulation. He has brought to light the financial challenges faced by students, elderly Americans, servicemembers, and their families. He has taken important enforcement actions against banks that took advantage of customers. So I ask what more can Richard Cordray do to deserve an up-or-down vote? I hope we can move forward with Richard Cordray's confirmation.

Mary Jo White has been nominated to be a member of the SEC and will be formally introduced by Senator Schumer. As Members of this Committee have begun to get to know her in the past few weeks, it is clear Ms. White has an impressive resume. As the U.S. Attorney for the Southern District of New York, she was tough and respected. As a lawyer at Debevoise, she has an understanding of the complex issues facing the financial system.

This is a critical time in the SEC's history as it works on a range of rules and policy issues. These include the Volcker Rule, derivatives, credit rating agencies, hedge funds, standards for broker-dealers and investment advisers, corporate disclosures, market structure, the JOBS Act, and money market funds, just to name a few. Wall Street reform increased the SEC's duties to better protect investors and oversee the market, but Congress has not increased the Commission's budget enough to keep up. I look forward to learning more from Ms. White on how she will approach these challenging issues.

As we mark the 5-year anniversary of Bear Stearns' failure this month, we are reminded why we need strong cops on the beat enforcing our investor and consumer protection laws. I am pleased that the President has nominated Mary Jo White to lead the SEC and Richard Cordray to continue leading the CFPB. Both are well-qualified, thoughtful leaders who bring law enforcement experience to the job. As such, I hope we can move these nominees through the Committee in a timely manner.

I now turn to Ranking Member Crapo for his opening statement.

STATEMENT OF SENATOR MIKE CRAPO

Senator CRAPO. Thank you, Mr. Chairman. I appreciate your holding today's hearing on the nominations to lead the Securities and Exchange Commission and the Consumer Financial Protection Bureau. Both agencies are highly visible, complex, and were given very broad jurisdiction by Congress to act in their areas of expertise. In addition, each agency expends hundreds of millions of dollars every year to fulfill their respective missions.

Mr. Cordray appeared before us last year at his nomination hearing, so we have already had a chance to get to know him. And Ms. White has extensive experience in our financial markets, both as a highly regarded U.S. Attorney in New York and as a securities law practitioner. I look forward to hearing from both nominees.

Both the SEC and the CFPB were created after significant downturns in the financial markets. Nearly 80 years ago, Congress established the SEC to restore investor confidence in our capital markets and to ensure orderly markets for stock trading and investing.

The CFPB was established more recently as a part of the Dodd-Frank Act and is intended to sweep all the consumer disclosure laws into one entity while leaving core prudential banking regulation with the other respective banking regulators. However, the SEC and the CFPB are administered in quite different ways.

When established in 1934, Congress decided to create the Securities and Exchange Commission based upon the structure of corporate lords. Congress set forth that the SEC would be comprised of five Commissioners. Each Commissioner would be selected for a

5-year term and no more than three Commissioners from any one party.

Around this same time, Congress also established the Federal Deposit Insurance Corporation. Again, Congress established the FDIC with a board structure.

Both the SEC and the FDIC have survived nearly 80 years, and the board structure has provided sufficient transparency and openness so that Congress and the general public have a very good understanding of each agency's mission and operation.

Unfortunately, the CFPB lacks this transparency and openness regarding its operations, budget, and intended activities, its intended mission. The Dodd-Frank Act specifically elevated the Director of the CFPB so that he or she holds unique power to determine the agency's budget and mission priorities without any public debate or input from Congress.

For example, in fiscal year 2012, the CFPB spent more than $150 million on contracts and support services, which is more than the agency spent on employees. This is nearly half of the money that the CFPB received from the Federal Reserve last year. There is no public accounting on how these monies on contracts and support services are being spent.

To alleviate these and other concerns, I believe that the structural changes to the CFPB that we have recommended are essential. Moving from a single Director to a board format is one of the important steps that will bring about the transparency and openness that now exists with the SEC.

In addition, the agency needs to be put on the Federal appropriations process so that Congress knows how the monies are being spent, especially on items such as contracts and outside services.

And, finally, the prudential regulators need to have more than just informal input into the CFPB's policy and rulemaking decisions.

With regard to the President's recess appointment to the CFPB last year, my opinion has not changed. I continue to believe that the recess appointment was unconstitutional. The recent court case involving the National Labor Relations Board found that those recess board appointments violated the Constitution. Since the CFPB recess appointment was made on the same day, to me the same result should apply.

Recently, members of the Republican Caucus sent a letter to the President objecting to the confirmation of the head of the CFPB unless these structural changes are made to the agency. Structural and other changes to the agency are, I believe, areas where we can work together to improve the operation of the CFPB and to improve accountability.

Mr. Chairman, I look forward to hearing from Ms. White and Mr. Cordray on their qualifications to head the SEC and the CFPB, and, again, I appreciate the chance to work with you on these nominations.

Chairman JOHNSON. Thank you, Senator Crapo.

Does anyone else wish to make a short opening statement before we turn to the nominees for their testimony?

Senator SCHUMER. Mr. Chairman.

Chairman JOHNSON. Please withhold.

We will now proceed to witness introductions. Senator Schumer will now introduce Ms. White. Senator Schumer.

Senator SCHUMER. Thank you, Mr. Chairman, and thank you and Senator Crapo for holding this hearing so quickly. It is my great privilege to introduce Mary Jo White, the nominee to be the next Chairman of the SEC.

Mary Jo was not born in New York but, like millions of others through the years, found her way to New York, found in New York her hopes, her dreams, and a place to call home.

Ms. White's long and distinguished career as a public servant and as one of the most well respected and hardest working lawyers in the country leaves no doubt that she is well qualified to undertake the task that awaits the next Chairman of the SEC. She is competent and dedicated, tough and fair.

From 1993 to 2002, she served as the U.S. Attorney for the Southern District of New York. She remains the only woman to have held that position in the 200-plus-year history that the office has existed. Prior to becoming U.S. Attorney for the Southern District, she served as the First Assistant U.S. Attorney and Acting U.S. Attorney in the Eastern District of New York from 1990 to 1993. She famously put "The Teflon Don," John Gotti, behind bars and prosecuted the terrorists responsible for the 1993 World Trade Center bombing, including Ramzi Yousef and the "Blind Sheik," Omar Abdel Rahman.

Her case against the Trade Center terrorists bears special mention because it shows her creativity and determination as a lawyer. She dusted off a Civil War era seditious conspiracy statute to prosecute the case, a move considered risky at the time but that ultimately proved successful.

She also prosecuted numerous white-collar crimes, including insider trading and securities fraud cases, establishing a track record that leaves no doubt she will vigorously pursue the SEC's enforcement agenda.

She has also had a long and distinguished career in the private sector where she earned her reputation as one of the hardest working and most well respected attorneys in the country. She won a litany of awards from a diverse group of institutions. I will just name a few. In addition to the George W. Bush Award for Excellence in Counterterrorism and the Agency Seal Medallion given by the CIA, she also received the Woman of Power and Influence Award given by the National Organization of Women and the Sandra Day O'Connor Award for Distinction in Public Service.

Now, Mr. Chairman, most of the attention on her personality is focused on her toughness and her aggressiveness, and with good reason. She apparently indulged a fondness for motorcycle riding and, despite her physical stature, was a fierce competitor in the women's basketball league in New York. The same toughness she showed playing basketball she will show as SEC Chair. She will score many points and not commit too many fouls.

And if anyone—if anyone—questions her loyalty or patriotism, I am told that on those rare occasions when she does relax and takes a break from putting terrorists in jail, she likes to crack open a cold Bud.

But she has a warm and fuzzy side, too. In 2011, she was elected Chair of the ASPCA, the American Society for the Prevention of Cruelty to Animals.

So all accomplishments and accolades aside, the moment of truth for me came when I discovered that, despite being born in Kansas City and raised in Virginia, she was a diehard Yankees fan. I hope that will not deter the Senator from Ohio in his deliberations. I know he hates the Yankees. What is your Web site? OK, some anti-Yankee thing is his call name.

Anyway, I am confident she will leave an indelible mark on the SEC and will continue the task of restoring the public's trust in the agency by challenging the agency to live up to her own standard of excellence, a standard unmatched by almost any nominee who has come before this Committee during my time here.

U.S. capital markets have been and remain the envy of the world. A huge reason why is the reputation the SEC has established over the decades for robust investor protection. Over the last dozen years, the reputation has taken some hits: Enron, WorldCom, and, of course, Bernie Madoff and the 2008 financial crisis. But Mary Jo is the right person at the right time to build on the efforts of her immediate predecessors and re-establish the SEC as the premier securities regulator in the world.

I wholeheartedly support Ms. White's nomination to be the next Chairman of the SEC, and I am confident that after an appropriately thorough vetting process my colleagues will as well.

Thank you, Mr. Chairman.

Chairman JOHNSON. Thank you, Senator Schumer.

Senator Brown will introduce Mr. Cordray. Senator Brown.

Senator BROWN. Thank you, Mr. Chairman. And my understanding is that Rich Cordray loves dogs and cats, too.

[Laughter.]

Senator BROWN. We all do.

Senator SCHUMER. What about the Yankees?

Senator BROWN. I could show you our dog, Franklin, who we named after Franklin Roosevelt, and my daughter commented after we got this dog that I finally got the son I always wanted. But I will leave that alone. Thank you, Chuck, Chuck you noticed also got Iowa and Ohio mixed up, which happens far too often in this institution, and Idaho, Ranking Member Crapo. So thank you, Chuck.

Mr. Chairman, thank you, and Ranking Member Crapo, thank you for holding this hearing and moving quickly on this. September 2011 was a previous confirmation hearing on this same nominee and this same Bureau. It was my privilege to introduce Rich Cordray and introduce Peggy, and joined here by their twins, Danny and Holly, who are a year and a half bigger, so good to see them here today.

I have known Rich Cordray for 20-plus years. His parents served as strong advocates for people with developmental disabilities. He was raised to advocate on behalf of people who were too often pushed to the margins of our society. And during his service as Ohio State treasurer—he had been a county treasurer; he had clerked for U.S. Supreme Court Justice Kennedy. And during his

time as the State treasurer and later attorney general in Ohio, he fought for Ohioans who struggled to stay in their homes.

He remains the right person to head the Consumer Financial Protection Bureau. Under his leadership, CFPB helped servicemembers and veterans and military families understand their benefits. He has helped students plan for their futures and has helped baby boomers plan for retirement.

He has had a role, a major role in refunding some $425 million to consumers who were victims of fraudulent financial practices, and CFPB has handled more than 130,000 complaints from consumers in all of our States.

Mr. Chairman, we already had our fight over the structure of the CFPB. A bipartisan majority in the Senate created the CFPB in 2010 to help ensure that Americans have access to safe and transparent financial products and services, including credit cards and loans. But in the U.S. Senate, a vocal minority is pledging to hold up the appointment of a qualified nominee. No one I have heard says anything less about Rich Cordray's qualifications than that he is superbly qualified for this job.

The legislation created CFPB as the law of the land, but some here want to nullify the legislation creating our Nation's consumer watchdog.

Rich Cordray has been supported by CEOs of Ohio companies. He has won praise from Ohio bankers whom I have spoken with over the years. But for the first time in Senate history—or actually it is the second time because this happened with the same nominee and the same Bureau just over the last couple of years. And I asked the Senate historian about this. Senators are blocking a nominee because they simply do not like the agency that he will lead.

For CFPB to thrive, it must have sound leadership, a leader who is able to work with institutions and individuals to prevent insidious schemes from wreaking havoc on our communities, on our families, on the citizens of this great country. Now is the time to consider Rich Cordray's qualifications, not keep fighting old political battles.

Thank you, Mr. Chairman.

Chairman JOHNSON. Thank you, Senator Brown.

I would also like to take this opportunity to submit a letter from our colleague Congressman Stivers, who could not be here today but wished for his support to be known.

We will now swear in the nominees. Will the nominees please rise and raise your right hand? Do you swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CORDRAY. I do.

Ms. WHITE. I do.

Chairman JOHNSON. Do you agree to appear and testify before any duly constituted Committee of the Senate?

Mr. CORDRAY. I do.

Ms. WHITE. I do.

Chairman JOHNSON. Please be seated.

Please be assured that your written statement will be part of the record. I invite you to introduce your family and friends in attendance before beginning your statements.

Mr. Cordray, please proceed.

STATEMENT OF RICHARD CORDRAY, OF OHIO, TO BE DIRECTOR OF THE BUREAU OF CONSUMER FINANCIAL PROTECTION

Mr. CORDRAY. Chairman Johnson, Ranking Member Crapo, and Members of the Committee, I am honored to be here once again as the nominee to serve as the Director of the Consumer Financial Protection Bureau. I am grateful to the President for the confidence he has shown in me and for giving me the opportunity to continue serving our country in this role. If confirmed, I pledge to continue to carry out and enforce the law that Congress passed to protect consumers and restore confidence in consumer finance markets.

Over the past 2 years, I have come to understand how your Committee exercises great responsibility that affects the lives of all Americans. It is a pleasure to appear before you frequently in my current role, and we have seen that our relationship can be cooperative and fruitful. If confirmed, I look forward to working closely with you to see that the people and families whom we serve are treated fairly in the essential marketplace for consumer finance.

As you had suggested, Mr. Chairman, I am glad once again to have my wife, Peggy, and my twins, Danny and Holly, with me here today. Like many of you, I commute back and forth from a long distance to do this work. My family has been willing to make real sacrifices, without complaint, because they believe in what I am doing to serve our country. They know how deeply I appreciate their steadfast support.

From childhood, my parents taught me the value of work that seeks to improve the lives of others. My dad, Frank, who turned 95 just last month, spent his entire career in programs that served children and adults with developmental disabilities. My mom, Ruth, who died of cancer when I was in college, founded the first foster grandparent program for the developmentally disabled in Ohio, in addition to doing all the many and various things that a mother does to raise three fairly rambunctious boys.

My approach to the role of Director is deeply informed by their influence. It is also deeply informed by more than two decades in public service. I have served in the Ohio Legislature, as Ohio's first Solicitor General, as the Franklin County Treasurer, and as State Treasurer. Most recently, before joining the Bureau, I was Ohio's Attorney General. Out of hard lessons learned through these experiences, I developed a resolve to address the kinds of financial difficulties and challenges that confront our communities. I learned there is no such thing as a one-size-fits-all solution as we seek to aid those who want to do the right thing and, when necessary, to thwart those who seek to take advantage of others. And I learned that creative strategies to find solutions can benefit consumers and honest businesses, which share many common interests.

When I became the Director of the Consumer Bureau last year, I resolved to do everything in my power to make the Bureau accountable to American consumers, to American businesses, and to

the Congress. Although our work is still in the early stages, we have been busy. In addition to supervising the country's largest financial institutions, we have also begun to protect consumers and markets that previously received no Federal supervision at all. Consumers now have someone looking out for them as they deal with residential mortgages, payday loans, private student loans, credit reporting, and debt collection. This affects millions of people across this country—people who are your constituents as well as the consumers we seek to serve.

At the same time, we are coming to a better understanding about how to use the other tools Congress provided to address the problems and challenges facing consumers. We have adopted new rules for the mortgage market to ensure that the excessive and irresponsible practices that helped precipitate our Nation's financial calamity cannot be repeated.

In the credit card market, we are implementing and overseeing the extensive positive changes that Congress enacted in the CARD Act. For consumers who have been deceived by credit card companies, we have worked closely with our fellow regulators to put $425 million back in pockets of 6 million consumers.

In the student loan market, we have teamed up with the Department of Education to create products like the Financial Aid Shopping Sheet. So far, we are pleased to see that 644 colleges are voluntarily adopting it.

Perhaps the most direct example of addressing problems in the consumer finance markets is our consumer response function. To date, we have handled more than 130,000 complaints. People have contacted us about specific problems with consumer financial products and services, ranging from improper charges on credit cards to mortgage payments that were wrongly applied. These consumers have come to us from every State; many of those have been referred by you, and we thank you for forwarding them to us.

Along with these initiatives, Congress directed us to focus on the unique problems that confront special populations of consumers. Assistant Director Skip Humphrey and his team have targeted the financial exploitation of older Americans, helping seniors get sound information and advice about their retirement finances. Assistant Director Holly Petraeus and her dedicated team have identified and are resolving distinctive issues that affect our servicemembers, veterans, and their families.

So these are the kinds of issues that the Consumer Bureau is already addressing on behalf of 313 million Americans. Of course, there is much more to do in each of these points, and we are determined to continue making progress.

Thank you, Mr. Chairman, again, and Members of the Committee, for the opportunity to be with you here today. I look forward to your questions.

Chairman JOHNSON. Thank you.

Ms. White, please proceed.

STATEMENT OF MARY JO WHITE, OF NEW YORK, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION

Ms. WHITE. Thank you, Mr. Chairman, Ranking Member Crapo, and Members of the Committee, it is my privilege to appear before

you today as President Obama's nominee to be the 31st Chair of the Securities and Exchange Commission.

Before I begin my remarks, let me thank Senator Schumer for his kind introduction, and I also want to introduce my husband, John White, who is here today, and thank him for being here and for his support. Our son and his wife are law students and are attending class, so they are somewhere else today. Thank you, though.

There is no higher calling, in my view, than public service. As the United States Attorney for the Southern District of New York for almost 9 years, I worked very hard on behalf of the American people investigating, prosecuting, and punishing those who committed crimes. From white-collar criminals to terrorists, regardless of the complexity of the case or the identity of the defendant, we always strove to do the right thing and to vigorously enforce the law. Today I am honored by the prospect of potentially returning to public service as the Chair of the SEC to help carry out its essential mission.

While I served as United States Attorney, our office worked closely with the SEC prosecuting violations of the Federal securities laws by both companies and individuals. Through that experience, I became a strong admirer of the expertise, independence, and commitment of the Commission and its staff. I fully appreciate the critical role the SEC plays as the primary regulator of our capital markets and as a strong advocate on behalf of investors. Today, in the wake of the financial crisis and in the midst of implementing the substantial legislative mandates of Dodd-Frank and the JOBS Act, the SEC's importance and scope of responsibilities are greater than ever.

If confirmed, I will vigorously carry out the SEC's mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. This mission has a tripartite mandate, but the component parts should not be viewed as in conflict with each other. It is the responsibility of the Chair and the Commission to take the long-term view, balance the objectives when necessary, and seek to fulfill all parts of the critical mission.

As was true when Chairman Schapiro was here before you for the first time in 2009, this too is a critical time for the SEC. Although the worst of the recent financial crisis may be behind us, none of us can be complacent. Under the leadership of Chairman Schapiro and Chairman Walter, the SEC has made significant strides to strengthen its examination and enforcement functions, improve its capacity to assess risks, and enhance its technology. But fast-paced and constantly changing markets require constant monitoring and analysis, and when issues are identified, the investing public deserves appropriate and timely regulatory and enforcement responses.

I am acutely aware that the position of Chair of the SEC carries with it heavy responsibilities and many challenges. But, if confirmed, I will work tirelessly and do everything in my power to effectively lead the SEC in fulfilling its mission. Let me just very briefly highlight a few early priorities.

First, I would work with the staff and my fellow Commissioners to finish, in as timely and smart a way as possible, the rulemaking

mandates contained in the Dodd-Frank Act and JOBS Act. The SEC needs to get these rules right, but it also needs to get them done. To complete these legislative mandates expeditiously must be an immediate imperative for the SEC.

With respect to rulemaking, rigorous economic analysis should inform and guide the decisions that are made. Although challenging—particularly in the quantification of benefits—in my view, the SEC should seek to assess, from the outset, the economic impacts of the contemplated rulemaking.

Second, if confirmed, it will be a high priority throughout my tenure to further strengthen the enforcement function of the SEC. It must be fair, but it also must be bold and unrelenting. Investors and all market participants need to know that the playing field of our markets is level and that all wrongdoers—individual and institutional, of whatever position or size—will be aggressively and successfully called to account by the SEC. Strong enforcement is necessary for investor confidence and is essential to the integrity of our markets. Proceeding aggressively against wrongdoers is not only the right thing to do; it also will serve to deter the unlawful practices of others who must be made to think twice—and stop in their tracks—rather than risk discovery, pursuit, and punishment by the SEC.

Third, the SEC needs to fully understand all aspects of today's high-speed, high-tech, and dispersed marketplace so that it can be optimally and wisely regulated. High-frequency trading, complex trading algorithms, dark pools, and intricate new order types raise many questions and concerns. The experts and studies to date have not been consistent or definitive in their observations and findings about whether our modern market is causing harm or the extent of that harm to investors. There must be a sense of urgency brought to addressing these issues to understand the impact on investors and the quality of our markets so that, again, appropriate regulatory responses can be made. If confirmed, I will work to ensure that the SEC has the cutting-edge technology and expertise necessary to enable it to keep pace with the markets and its responsibilities to monitor, regulate, and enforce the securities laws.

There are, of course, many other important areas within the jurisdiction of the Commission—from money market funds to credit rating agencies, from the appropriate standards and regulations governing the conduct of broker-dealers and investment advisers when providing investment advice to retail customers, to how to make public issuer disclosures more meaningful and understandable for investors, just to name a very few. If confirmed, I would focus on these and all of the many challenges facing the SEC.

In conclusion, it would be my privilege and honor to carry out and help carry out the SEC's mission. Thank you for considering me to serve in this capacity and for the opportunity to appear before you today. I would be happy to answer your questions.

Chairman JOHNSON. Thank you for your testimony.

If any Member has any questions for the record for either of our nominees, I ask that you please submit them by noon on Thursday, March 14. I also ask that the nominees respond to the QFRs quickly so that we can move the nominations forward.

We will now begin asking questions of our witnesses. Will the clerk please put 5 minutes on the clock for each Member?

Mr. Cordray, South Dakota's community banks and credit unions continue to raise concerns about regulatory burden. How has the CFPB addressed the concerns of small institutions while maintaining effective protections for consumers? And what additional steps do you plan to take?

Mr. CORDRAY. Thank you, Mr. Chairman. I recall the visit to South Dakota with you in which we met with local financial executives, and we have made it a point to do that around the country. I believe we have met with more than 40 community banker organizations or credit union organizations in the last 6 months alone, so we have been very accessible to them. I will be speaking before the Independent Community Bankers of America tomorrow and spoke at a meeting of the Credit Union National Association last month.

We also created, at my initiative, a Credit Union Advisory Council and a Community Banker Advisory Council, so we can hear regularly, and specifically, from them about what is on their mind, about their concerns, whether about us or about the marketplace, whatever it may be. I think that that outreach and the listening that we have done has informed work that we have done. It affected our qualified mortgage rule. It affected our escrow rule. It affected our servicing rule, where we put into practice what I have said here many times—that community banks and credit unions did not engage in practices that caused the financial crisis, and the regulatory response should take account of that fact and protect and preserve their traditional model of lending, which is a very responsible model and good for many communities across this country, like the community I grew up in in Ohio, and live.

Chairman JOHNSON. Ms. White, if confirmed, what steps will you take to address potential conflicts of interest between your duties as SEC Chairman and the past work on behalf of clients, as well as potential conflicts with respect to your husband's work? How will these steps affect your ability to participate in the Commission's enforcement actions or other SEC matters?

Ms. WHITE. Thank you, Mr. Chairman. Before I agreed to be nominated for this position, I detailed to the White House, the Independent Office of Government Ethics, and the career SEC ethics official the nature and extent of my and my spouse's and our firm's legal practices to be certain that there were no conflicts that could be problematic or limit my ability to function effectively as SEC Chair, if I were to be nominated and confirmed. I went through a very rigorous process of my own and with these parties to ensure that I am in compliance with all ethics regulations and laws. And I am very scrupulous about these issues and place a very high bar on them, and I was also focused in that process very much on making certain I could effectively function as the Chair.

I know the Senate has received a letter from the Office of Government Ethics concluding that I am in full compliance with all applicable laws governing ethics and conflicts of interest.

I was also advised in this process that while I have recusals, as do many nominees, mine were not out of the ordinary in scope, nor

out of the ordinary for past Chairmen or other Commissioners of the SEC.

The career ethics officials at the SEC are quite experienced in managing these conflicts, should they arise. I will also be very vigilant in managing them myself and making sure that we are scrupulously attending to any that might arise. But I do not believe, Mr. Chairman, that the recusals, the extent of them, will prevent me from fully performing my duties. In general, I am not recused from any SEC rulemaking matters or policy matters, and as to party matters, as they are known, which primarily affects the enforcement function of the SEC, the scope of those recusals is also quite narrow.

Chairman JOHNSON. Ms. White, what approach will you take with enforcement? How will the SEC under your leadership signal that wrongdoing will not be tolerated and restore confidence in the integrity of the U.S. capital markets?

Ms. WHITE. First, I do not think there is anything more important than vigorous and credible enforcement of the securities laws. I think it must be done. To some extent, I think you convey that confidence to the public by the deeds, by the cases that you make, by the deterrence that you effect by your cases. And so I will be very focused on that throughout my tenure, and if confirmed, I will meet with the Enforcement Division to review various of its structures, practices, and cases to make certain that that happens.

Chairman JOHNSON. Mr. Cordray, what is your vision for the Consumer Financial Protection Bureau?

Mr. CORDRAY. Mr. Chairman, my vision of the Consumer Financial Protection Bureau really arises out of our work and it arises out of the legislation that Congress passed. I think any agency needs to hew closely to its governing statute.

Congress created us to protect consumers in the financial marketplace and to help make those financial markets work more effectively for the consumer public and for the honest and responsible businesses that, for the most part, dominate the marketplace and deserve protection against unscrupulous competitors.

As I have said before, I see our vision in light of the people we serve. They are—to be most direct about it—they are our mothers and fathers, our sisters and brothers, our sons and daughters. Everybody in this room and everybody paying attention knows of people in their extended family, friends, who struggle with consumer financial issues, and who need some help and support in navigating complex financial markets. To the extent we can deliver value for those people who, again, are your constituents and the people we serve, that is what we aim to do.

Chairman JOHNSON. Senator Crapo.

Senator CRAPO. Thank you, Mr. Chairman.

Ms. White, recently the SEC has been commended by the GAO for raising the bar, frankly, when it comes to conducting economic analysis, and you actually already answered my first question. I am basically making a statement to you right now. But the SEC really has made major strides in this area, and I appreciate what I took in your opening statement to be your commitment to continue this and to even advance the agency's focus on economic analysis. Is that correct?

Ms. WHITE. Yes, that is correct, Senator, and if confirmed, I will also—there is SEC guidance which I think has brought about that enhancement that you mentioned, and I will be very focused on seeing that as it operates in practice.

Senator CRAPO. Well, thank you. And this question is also directed to you. Last year, the Financial Stability Oversight Council released a set of proposals regarding money market mutual funds, and many of us believe that that is a responsibility that much better lies with the SEC. Would you agree with that?

Ms. WHITE. Money market mutual funds, which are very important investment products, I think are in the heartland of the SEC's expertise, and I think it is the SEC's responsibility, as it is focused on now and has been before, in determining what additional reforms there should be to that investment product.

Senator CRAPO. And if confirmed, would you intend to see that the SEC takes prompt action in that area so that it takes the responsibility as it should?

Ms. WHITE. Yes, Senator, I would. And my understanding is that those discussions are going on currently.

Senator CRAPO. Thank you. And again, you have spent many years in the securities industry, in addition to your husband, as a prosecutor. Your husband is a highly experienced securities attorney. I appreciate your answer to the Chairman's question, which was one of my questions as well.

Mr. Cordray, as you know, the Senate Republicans want to see key structural changes such as a board versus a single Director, funding through the appropriations process rather than direct access to the Federal Reserve Board, and establishing a safety and soundness check for the prudential regulators. Are you open to working with the Senate on these reforms to increase the transparency and accountability at the agency?

Mr. CORDRAY. We continue to be, and I personally continue to be, interested in working with the Senate to further develop transparency and accountability of the agency. There are numerous provisions in place now that we follow. For example, we are subject to a specific GAO audit of our finances, which is unusual for agencies. We are also subject to an outside independent audit, we do a semiannual report to Congress, and I am required to testify in front of both this chamber and the House on each of those reports. That is at least a minimum of four testimonies per year. We have the Federal Reserve's Inspector General who oversees us as well.

We also have been working toward further building out. You will recall that 2 years ago we had zero personnel, zero structure, and zero process. We have recently added the GPRA statutory performance review provisions into our budgetary process. I think we could make more commitments to you today than we could have a year or two ago, and would be willing to do so in order to improve transparency further and make sure that the Congress has all the information it needs and wants about our expenditures.

As to our accountability to Congress, I always am accountable to you. I have found congressional oversight to be both vigorous and meaningful, and it keeps us in shape, and it keeps us on our toes. It is something we are very responsive to and I personally have been responsive to, and appreciate the value of that.

Senator CRAPO. Well, thank you, and I appreciate our private conversations about the importance of accountability and oversight and your commitment to help improve that.

Mr. CORDRAY. Yes.

Senator CRAPO. I also recognize that you cannot say what the White House and the Congress will ultimately decide with regard to the issues with regard to changing the structure of the agency. But I look forward to trying to work with you to resolve those issues and seek your support in helping us resolve those issues.

Mr. CORDRAY. Thank you.

Senator CRAPO. Finally, Ms. White, again, in your statement I appreciate the fact that you mentioned the JOBS Act and place those regulations as a top priority. What timelines do you think you could set for getting those regulations done? All of us up here I think are very anxious to see these regulations put into place as quickly as possible.

Ms. WHITE. I appreciate the question. There is no higher priority that I have than moving the SEC along, frankly under both the Dodd-Frank Act and the JOBS Act, to get those regulations out as quickly as possible. And I think you can do them well and smartly and still get them out quickly. I cannot give you an exact date, but I guarantee you that I am going to be focused on that, if confirmed, from day one.

Senator CRAPO. Well, thank you, and I appreciate your willingness to make that a high priority.

The last question, again to you, Ms. White. With regard to the Dodd-Frank Act, the SEC made a public request for data and statistics, particularly on the potential regulatory costs to implement any potential changes to fiduciary standards for broker-dealers and investment advisers. Will you commit to reviewing the findings of this request prior to engaging in any rulemaking?

Ms. WHITE. Absolutely. I think it is a very important area, and I do commit to doing that.

Senator CRAPO. Thank you.

Chairman JOHNSON. Senator Reed.

Senator REED. Thank you very much, Mr. Chairman, and, Mr. Cordray and Ms. White, thank you very much.

Mr. Cordray, one of the responsibilities that you have is not just to protect consumers but to ensure there is a compliance regulation of what used to be known as "the shadow banking system." In fact, one of the major defects that we discovered to our chagrin in doing Dodd-Frank and with the financial crisis is that many of these shadow banking institutions were unregulated or regulated by States, et cetera, and they tend, in retrospect, to sort of lead the standards down, to lower the bar, lower the bar, putting pressure on regulating agencies.

And now for the first time, your agency is able to regulate these entities. In fact, they have done a remarkable job. You have recovered significant amounts of money for consumers, but you are also setting an even standard between the regulated industries that have Federal deposit insurance and other Federal protections and the unregulated. Can you comment upon that role of the Financial Bureau?

Mr. CORDRAY. Thank you, Senator. That is one of the things that we have been working hard to be doing. It is one of the very positive advances made in the Dodd-Frank law, which is, you cannot regulate a market effectively if you are regulating part of the market and the rest of the market is going unsupervised and not subject to any standards or accountability. That is very much what we saw in the mortgage market leading up to the financial crisis. As you say, that not only opens the market to considerable exploitation of consumers without any oversight. It also hurts the responsible, honest businesses that are trying to do things right, but that do, as you say, feel pressure from unscrupulous competitors who are not subject to the same standards, not subject to the same requirements, and that is just a model that cannot work.

The Consumer Financial Protection Bureau was given the authority in consumer finance markets to oversee not only banking institutions that are chartered, but also unchartered institutions. This has been a very important part of our work, and, frankly, since the day I was appointed, which is when we gained authority to do that work, it has been a very high priority for us.

Senator REED. I noticed in this context that the QM rule, the qualified mortgage rule, is something you have worked on with banking regulators, et cetera, and, frankly, to the praise of many in the banking industry. Jamie Dimon indicated they have done a great job, quoting him, and others have said that, too. But it sort of reinforces the notion, which I think is not appreciated enough, that you function really in a way to make sure that there is a level playing field, so that traditional banking institutions, regulated institutions, are not under the competitive pressure of unregulated entities. That is an important role.

Mr. CORDRAY. It is an important role. It is one that we are very mindful of and I think is important to the markets being able to function effectively.

Senator REED. Let me also commend you for your work with military personnel. The Office of Military Services, headed by Holly Petraeus, has done a remarkable job, and that is another, I think, commendable aspect of what you have done with your leadership in protecting service men and women from foreclosure when they are on active duty, enforcing all of the different regulations. So I commend you for that and thank you.

Let me just turn in my remaining time to Ms. White. First, you can assure us that in the rulemaking process your prior employment would in no way impinge upon your ability to participate in rulemaking because of the general nature of rules. Is that accurate?

Ms. WHITE. I can certainly assure you of that, Senator.

Senator REED. Thank you.

Ms. WHITE. And have been so advised by the Office of Government Ethics as well.

Senator REED. The next issue—and it sort of touches on what Senator Crapo suggested—can you give us your top three priorities of rules? You have a long, long list of actions pending, and it would be helpful to me to see, you know, what are your priorities going in. I understand when you get there and you get into the details those priority could change, but initially what are your priorities?

Ms. WHITE. Well, I have to say to that, Senator, that—and I realize—I am not a naive person in terms of can you get everything done at once.

Senator REED. I do not think anyone accused you of being naive at all.

[Laughter.]

Ms. WHITE. Well, I have been accused of that, too, I think.

Senator REED. Trust me. Trust me.

Ms. WHITE. But, seriously, Senator, I think it is—and until I get into the SEC, if confirmed, you know, I do not have as much detail on the work streams that are proceeding, but it is my intention when I get there to personally take charge of assessing that and then truly trying to drive all of the rulemaking as quickly and as smartly as possible. So I do not have a rank order list yet. I just want to get in there, get it done, get it done smartly.

Senator REED. Let me also just add sort of a footnote to your previous comments, which is if there is an issue where there is a potential appearance of a conflict, what is the mechanism outside your own individual judgment that you will avail yourself to get guidance or to get clarification?

Ms. WHITE. Essentially, I will be frequently consulting—first, I will be very vigilant myself, as I think I have been throughout my career. The SEC ethics official and I have already had discussions, assuming that I would be confirmed, about a very vigilant screening agreement as well as mechanisms to identify any possible appearance issues as well.

Senator REED. Thank you very much.

Thank you, Mr. Chairman.

Chairman JOHNSON. Senator Corker.

Senator CORKER. Thank you, Mr. Chairman. And, Mr. Cordray, once again your family has been a great asset to you today. Your son and daughter are acting perfectly in the back, and even sometimes act like the questioners are asking intelligent questions.

[Laughter.]

Senator CORKER. So I do want to say that if you can get people dealing with consumers and the financial world to act like they are, you will do a very good thing for our country.

And, Ms. White, during your introduction I thought at first you had to be a leading citizen from Tennessee, but thank you for being here.

I have already talked to Mr. Cordray on many, many occasions. You are going to be dealing with the Volcker Rule, and we all know that prop trading is out, but hedging and market making is still something that is permitted. And I would just ask if you are committed to making sure that we have really bright lines there so that people—that the institutions that are affected by Volcker know the difference between prop trading, hedging, and market making.

Ms. WHITE. I am totally committed to that and recognize the importance of both the mandate to bar proprietary trading, but also the permitted activities of market making as well as the hedging activities. And, again, I guess I am listing everything I am going to do the first day, but if confirmed, that is one thing that I am going to turn my personal attention to.

Senator CORKER. OK. In the area of money market funds, I know we have had difficulties getting to a place. I know you and I talked a little bit about that in the office. But have you thought any about the floating proposition? Have you given thought to how you might want to resolve the money market issue?

Ms. WHITE. I have studied this issue. I am not, as I think I mentioned earlier, privy to the ongoing discussions in the Commission about it, and clearly I understand the risk that is trying to be—the systemic risk, possible run on the funds, that is trying to be addressed by the discussions that are ongoing. But I am also acutely aware of the value of the money market fund product, and so whatever is done, we want to take care that that is not harmed by this.

I do not have a view on specific reforms until I get in there to meet with the staff and talk to my fellow Commissioners. You know, I do not have a conclusion on that.

Senator CORKER. And the process has been a pretty long process there, and I know there have been some differing opinions. Do you view having Commissioners like this that represent different viewpoints, hashing out a rule, do you view that as being a positive or a negative?

Ms. WHITE. That is a tough question.

Senator CORKER. It is a good question.

Ms. WHITE. It is a very good question.

[Laughter.]

Ms. WHITE. It is a very good question. I mean, clearly, the structure, the Commission structure, which is designed to be bipartisan and to bring in as many different perspectives as possible I think is a wise structure. The structure I operated under before as U.S. Attorney, I was more autonomous, and I did not mind having that autonomy as well. But I understand the strengths of that structure.

Obviously, that requires you in the Commission structure to do a lot of talking with each other, which I think is quite healthy as well, and to, you know, bring people together as much as possible.

Senator CORKER. Thank you.

Mr. Cordray, I would not ask Mary Jo this because she is just starting, but the FSOC has the ability under, I think, Title II to wind down a large institution that poses a threat to our country, and I have a letter that is going out today to everybody that is part of the FSOC. But since you have been serving on it, is it your understanding that the FSOC has the ability to wind down an institution even if it is healthy because it poses a threat to our country if it were to have problems? Or is it your belief that that institution has to have financial issues before you can look at winding it down or doing away with various lines of business?

Mr. CORDRAY. I do not think that that issue has been presented in the meetings that I have attended over the past year—that we would take a healthy institution and somehow seek to wind it down. It has been an assumption that the failure of an institution or the impending failure of an institution and, therefore, the imminent weakness of the institution would itself pose a potentially systematic threat to the financial system. That has been the basis on

which discussions have proceeded, and I think that that is appropriate.

Senator CORKER. So at present, it has really been focused only if an institution gets in trouble. I would like some clarification there, and the letter will come to you, along with everyone else who is on the board, and if you could just look at it, Mary Jo, at the right time, if you could do that, that would be great.

And on the equity markets, there have been a lot of discussions recently, and I do not think any of us have fully digested this yet. But there is a lot of high-frequency trading, dark pools, all kinds of things that are taking place, and there have been some concerns about that taking place to the harm, if you will, of just your everyday investors. I know you are committed to dealing with that, but do you have any initial thoughts in that regard?

Ms. WHITE. This is one of the priority areas that I did note in my oral remarks, and it is one that I take away from my briefings at the agency as a very high priority to figure it out so that appropriate responses can be made. I mean, certainly there are concerns and questions that arise from the high-frequency traders and our electronic market in general, the dispersed market in general. But I think in the first instance, we need to know what is happening and what the impacts are, and that, again, is one thing that I—I am getting a longer list of what I am personally driving, I guess, but I am very interested in focusing on that.

Senator CORKER. Well, thank you both for your testimony, and, Mr. Cordray, I do hope—I do appreciate the way that you have dealt with our office, and I would say most people here. And I do hope that over the course of the next short period of time we are able to figure out a way for the entity to function in a manner that makes everyone on both sides of the aisle feel comfortable. But I thank you both for your public service. I thank the families for being here, and I look forward to seeing you again.

Mr. CORDRAY. Thank you, Senator.

Chairman JOHNSON. Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Let me start off by saying these are two exceptional candidates for these positions, and they have tremendous background. And in the case of Mr. Cordray, I certainly hope that the ideological opposition to the entity which received a majority vote in its creation by the Congress of the United States does not continue to be the opposition to someone who is eminently qualified, who has been fair, who has been balanced, who has been transparent—all the qualities that you would want in a director of an office. And so if that is a new standard that a majority will can now be subverted by stopping a nominee in order to subvert the agency, then that is a dangerous slope. And so I hope that Mr. Cordray's nomination moves forward based on his abilities and what he has exhibited to us so far.

And in the case of Ms. White, I know there are some who are concerned about her private sector experience. I remember her as a very tough prosecutor. I used a different word when we met, but I will not do that here.

Ms. WHITE. I said you could.

[Laughter.]

Senator MENENDEZ. Yes, but, you know. So these are two exceptional witnesses. Having said that, I do have some questions.

Ms. White, I get numerous constituent letters concerning the lack of prosecution of wrongdoers, and basically when I see the testimony of the Attorney General before the Judiciary Committee, when he was asked in this field, that the size of some of these institutions are so large that it does—this is quoting from his testimony—"it does become difficult for us to prosecute them when we are hit with indications that if you do prosecute, if you do bring a criminal charge, it will have a negative impact on the national economy, perhaps the world economy."

So the question then is: Are these institutions in essence protected against prosecution merely by their size, and understand that when, in fact, they do violate the law, that they will have an extensive fine and that will be the cost of doing business? Because if that is the case, then I think it subverts the very nature of the honesty and transparency that we want to see in the marketplace. If the American people and investors believe that entities can do this largely with impunity because they are so big that they cannot, you know, be prosecuted, at the end of the day then how do I know that the system is not being rigged at a time in which I am making my investments?

So as the potential Chair of the SEC, give me your thoughts on what you would do in that regard in terms of when you found wrongdoing, assuming you found wrongdoing, what would you do?

Ms. WHITE. Assuming you found wrongdoing, I think you proceed quite vigorously against, frankly, anyone that you find evidence of wrongdoing on, but certainly financial institutions.

At the SEC, which, of course, does not have the criminal powers, those collateral consequences are not taken into account before charging decisions are made. So at the SEC there is no institution too big to charge. On the criminal side, there are also—in my view from my former life, institutions are not too big to charge either, but Federal prosecutors are instructed by Department of Justice policy. They have a long line of factors to consider, and one of them is the collateral consequences of a criminal indictment to innocent shareholders, employees, or the public. And certainly prosecutors should consider that before proceeding, but that does not necessarily dictate a no decision.

Senator MENENDEZ. So if you were to confirmed as the Chair, at least to the extent that the SEC has powers of charging and proceeding, you would vigorously do that when you found the causes to be appropriate?

Ms. WHITE. Absolutely, Senator.

Senator MENENDEZ. Second, in Dodd-Frank, it has been reported that excessive compensation schemes provided part of the fuel for the financial crash. In response, I worked to include a provision in Dodd-Frank that would require publicly listed companies to disclose in their annual SEC filing the amount of CEO pay, the amount of the medium company worker pay, and the ratio of the two.

Now, it seems to me while the agency has struggled with immensely more complicated rules, the SEC has yet to take action on

this. Will you work to follow through on this, if confirmed, and make sure that we get to the rule that is called for under the law?

Ms. WHITE. I will, Senator.

Senator MENENDEZ. Thank you very much.

Thank you, Mr. Chairman.

Chairman JOHNSON. Senator Johanns.

Senator JOHANNS. Thank you, Mr. Chairman.

Let me just say to both of you thank you for being here. I appreciate it.

Mr. Cordray, if I could start with you, first, thanks for stopping by my office the other day. I enjoyed the opportunity to visit with you.

When you took the oath that the Chair administered, as you know, a piece of that was that you would agree to appear before any duly constituted committee of the U.S. Senate, so let me probe that a little bit.

Would you be willing, if asked, to appear before the Appropriations Subcommittee, a duly constituted, of course, committee of the U.S. Senate, on financial services in general Government to walk through your budget document and just answer questions about that document, the spending habits of your agency? Would you be willing to do that?

Mr. CORDRAY. Senator, Bureau officials, including myself, testify regularly. In fact, more than 30 times in the last 2 years. Under the laws that exist, what has been contemplated, and what we have done, is that I appear before this Committee and before the House Financial Services Committee each time we issue a semi-annual report. That is twice a year in front of each chamber, each committee, so that is four to begin with. We have also——

Senator JOHANNS. Let me just focus on your budget, though, because to some of us that is important. And as a former Cabinet official, I did not think that was a bad deal that I would be called to account before the Senate and go through my budget and justify it and ask for permission to do transfers. I thought that was actually a good thing. And I think the Senate appreciated it, the House appreciated it.

Would you do that? Would you be willing to do that?

Mr. CORDRAY. I have been willing to appear in front of the committees of Congress and have done so. If I understand correctly, under the current law, this Committee has the opportunity to do that with me. If the desire were to have me do that in front of a different committee, we could consider that. That has not been the structure that we have had.

I think it is difficult among the banking agencies to suggest that this should be the only banking agency that would be appropriated. If there are measures that, as you suggest, included walking through and being subject to more transparency and accountability that would be satisfactory to you and your colleagues, we could certainly consider those things.

Senator JOHANNS. Let me give you a specific example why we are concerned.

Mr. CORDRAY. OK.

Senator JOHANNS. And I think it is very, very legitimate. I think we are elected to provide oversight.

In fiscal year 2012, the CFPB spent about $150 million on contracts and support services, which is more than what was spent on employees. That is nearly half of the money you received from the Federal Reserve that year. There is no public accounting on how those monies were used for contract services and support services. Would you be willing to appear before that Subcommittee and answer all questions about that, let the Subcommittee members inquire about what that is about, where that money went, and who got that money, and follow up with additional written questions? We do that with every Federal department, really. Would you be willing to do that?

Mr. CORDRAY. Senator, thank you for raising that issue again. The Ranking Member had mentioned it in his opening, and I did not get a chance to respond.

The reason why we had so much money in contracts rather than personnel in our first year was that we did not exist as an agency before that. Much of the money was paid to the Treasury, which we were part of for the first year, and that we contracted with them for services. We continue to contract with them to piggyback on their IT service and other things as we are building an agency. Over time, that is diminishing and will continue to diminish.

We also have published detail about our specific contracts—what they are, amounts—and I have been happy to provide that to this Committee. If the notion were that we provide it to a different Committee, we could consider that.

Senator JOHANNS. Yes. I am running out of time here, but this is only part of the essence of our concern, and I think it is legitimate. I think we have a right as United States Senators to probe into this kind of information because it is important that we be able to tell our taxpayers, our constituents, "Do not worry. This money is being spent wisely and thoughtfully and carefully. And we have dug into it, and we can say that." That is what we are thinking about.

Mr. CORDRAY. It is this Committee that has had the opportunity to do that, and we are quite welcoming of that, and we understand. As I said at the beginning, I served in the legislature in Ohio. I appreciate and understand the importance of congressional oversight. I think it is a meaningful check on our agency. I do not take it lightly when I sit in this chair and answer your questions, when deal with questions for the record, or when we brief your staff. We try to be as transparent as we can, and as we have grown as an agency, we are able to do that more. We are completely committed to doing that.

Senator JOHANNS. Thank you, Mr. Cordray.

Chairman JOHNSON. Senator Brown.

Senator BROWN. Thanks, Mr. Chairman.

Ms. White, I have a number of questions, if you would try to do yes or no on the first two or three, because they are pretty simple questions.

When you were U.S. Attorney, my understanding is you consulted Bob Rubin and Larry Summers when considering whether to bring charges against financial firms. Is that correct?

Ms. WHITE. I actually consulted the Deputy Attorney General, who had Mr. Summers call me back. I was asking a factual question.

Senator BROWN. Did they reject the argument that institutions could not be prosecuted to the fullest extent of the law?

Ms. WHITE. I would like to answer that yes or no, but I cannot. Essentially, I was seeking information based on an argument that had been made by the lawyers for the institution that I ultimately indicted as to whether an indictment of that institution would result in great damage to either the Japanese economy or the world economy, and the answer that I got back is I should proceed to make my own decision, which I took to mean that it would likely not have that impact.

Senator BROWN. OK. I mean, policy seems to have changed. You had a moment ago said that—you talked about the SEC does not consider, you used the term "collateral consequences" to Senator Menendez's question. And then in 2008, the Fed's general counsel called the SEC to urge the Commission not to pursue full penalties against bailed out firm that had committed fraud. As a result, institutional investors, pension funds that provide retirement security for working Americans, for example, ended up with less compensation in the settlement. The *New York Times* affirmed that costs were shifted from Wall Street banks to working Americans.

Was the SEC right to lower these penalties back in 2008?

Ms. WHITE. I think what the SEC does do—they do not take collateral—as I understand it, they do not take collateral consequences into their charging decisions. But they do consider consequences in their remedies. So that, for example, a corporate fine that, in effect, would have a grievous impact on innocent shareholders is taken into account in terms of remedies that they seek.

I do not know all the particulars of the example you are giving me, so I cannot respond any further than that.

Senator BROWN. OK. We know today the banks are considerably—the largest institutions are considerably larger than they were only 5 years ago. The largest six banks in this country now control—and Senator Vitter and I are working on this and some responses to the too-big-to-fail issue, how they control some 65 percent of GDP when only 20 years ago it was less than a third of that. Senator Menendez mentioned Attorney General Holder's comments about concerned about the size of the institution and what prosecutorial action might do.

Yesterday, Arthur Levitt, one of your predecessors, currently a policy adviser to Goldman Sachs, when asked about Attorney General's comments, said, "I think he is right. There is no question these institutions are very unlikely to be the object of prosecutions."

You have said that bringing criminal charges against corporations could harm employees. By that logic—and I have a couple of questions. First, do you agree with Attorney General Holder and Mr. Levitt? And if so, are we not creating by the logic of what you have said about bringing criminal charges on corporations harming employees, are we not creating a two-tiered system where we exempt the biggest banks because they have the most employees and shareholders who could be affected from criminal prosecution? How

do you sort of reconcile that belief with your position that no firm is, as we say, "too big to jail"? I understand that you do not have criminal authority, but where do you go with that.

Ms. WHITE. I think, again, it is a factor that prosecutors are directed to consider, and not just the impact on employees and shareholders, innocent employees and shareholders, but the public interest as well. And so, you know, I think we want our prosecutors making decisions in the public interest. Obviously, you do not want to have a two-tier standard for some institutions and not others. But I do think the deferred prosecution instrument, which has been used a great deal on a number of companies, was designed to be tough in terms of monetary sanctions, monitors, basically everything but the charge itself that might cause what the prosecutor may consider to be negative and very undesirable collateral consequences to the public interest.

So, you know, I do not think you should—and I do not consider it to be a rule or even under the DOJ policy that, therefore, you cannot indict anyone. It is part of your consideration, and it should be part of the consideration, I think.

Senator BROWN. Let me ask one other question. There was concern, at least on this side of the Committee, I assume on both sides, of what people in this town call your "revolving door" from the firm to U.S. Attorney, back to the firm, back to U.S. Attorney, the firm, U.S. Attorney, and back to the firm, and now this. And nobody questions your integrity or your aggressiveness or your toughness. But could you just—we need some reassurance that when you have this job, that the culture you have come out of the last 10 years, I assume both socially and professionally, will allow you or perhaps make you better at—make that case. Answer this specific, if you can. What have you done over the last decade that ordinary investors—when you see the wealthiest in this country have done better and better and better, and most of America has not gotten a raise in the last 10 years, what have you done the last decade that ordinary investors can look and be assured that you will advocate for them?

Ms. WHITE. I think to some extent they—and it is true of anyone—they have to see what you do in the job, and in my case, I think they have a track record of when I was a prosecutor——

Senator BROWN. Well, over the last 10 years.

Ms. WHITE. Well, I have been a lawyer over the last 10 years, and when you are a lawyer, you represent different kinds of clients, and you are ethically bound to represent them to the best of your ability, and I have done that. That does not change me as a person. It does not mean I embrace the policy thoughts of any of my clients in particular. And so I think the public investor should know that I am their advocate, that I have a very—and I say the track record because it is good to give them something concrete to look at. I think I was extremely, exceptionally aggressive against large institutions, against CEOs, senior executive types. And before I was that, I was in the private sector where I actually started. I actually started in the private sector.

So after about the same amount of time in the private sector, I became U.S. Attorney and had that track record. I am the same person who—in this instance, if I am confirmed, the American pub-

lic will be my client, and I will work as zealously as is possible on behalf of them.

Senator BROWN. All right. Thank you, Ms. White.

Chairman JOHNSON. Senator Coburn.

Senator COBURN. Thank you.

Mr. Cordray, I appreciated your visit in my office, and as I told you then, I think in your capacity you have done a great job. One question for you. Do you presently submit your data to USASpending.gov on how you spend your money?

Mr. CORDRAY. I do not actually know the answer to that question, Senator, but it is something I would be happy to explore with you or have my staff explore with your staff.

I will say again that we started 2 years ago with just the beginnings of an agency——

Senator COBURN. Well, I am not critical.

Mr. CORDRAY. I understand.

Senator COBURN. I am just asking a simple question. Everybody in the Federal Government—everybody—is supposed to submit data so that the American people can see where the money is spent. And so one way of answering Senator Johanns' question is, well, sure we will come discuss it because it has already been made public because the American people have a right to know where you are spending the money. And by Federal statute, as authored by President Obama and I, it is required of every agency to put their information and their spending on that site.

So I would love to have an answer to that, and you do not have to answer it now.

Mr. CORDRAY. I will get you an answer.

Senator COBURN. And I have explained to you—and my positions are very similar to Senator Crapo's in terms of the requirements on this position. I know we are divided as a Committee on that, and I will not spend any more time on it, but I will compliment you. I think you have done a wonderful job so far in carrying out your duties.

Ms. White, I will announce today at this hearing that I am going to aggressively support your nomination. I enjoyed our visit. The more I find out about you, the more I like you, and the more I am proud that you have agreed to accept to fulfill this critical responsibility. Thank you for doing that.

Ms. WHITE. Thank you, Senator, very much.

Senator COBURN. Thank you.

Chairman JOHNSON. Senator Tester.

Senator TESTER. Well, thank you, Mr. Chairman. And I just want to start with you, Ms. White, if I might. You have had a very interesting and distinguished career. As Senator Schumer has pointed out, both as a prosecutor in the Eastern and Southern Districts of New York, you developed a reputation for dedication and tenacity, and I think these qualities have contributed mightily to your success in taking down some pretty big dogs.

You sent one of the most reputed mob bosses, John Gotti to jail for murder and racketeering. You led the charge, as Senator Schumer said, against the Blind Sheik, the mastermind behind the 1993 World Trade Center bombings. You not only put him behind bars,

but you connected the pieces to reveal that this was not a single event but, rather, an emerging trend, one that you saw firsthand.

Your office also indicted Osama bin Laden for his role in bombing American embassies in East Africa at a time before most Americans had a clue who he even was.

A major part of your success in the Southern District of New York in prosecuting these criminals was your ability to dig deep to understand how they operated, the dynamics of their networks, their organizations, and what their motives were. These were some of the most dangerous criminals that you put away.

So first I want to thank you for what you have done protecting this Nation. Some have questioned your toughness as a regulator, whether you would be able to hold accountable those sorts of folks that you might have defended in the past. And I would actually view your experience and expertise as an asset. Why? Because if someone was going to commit a crime, my gut tells me that you might have a pretty good idea where the body was buried. It also tells me that, given the list of enemies you already have, you would not be too concerned about Wall Street.

So could you tell me, Ms. White, how your expertise as a prosecutor—because this question has been asked in many different ways this morning—how your expertise as a prosecutor will help you at the SEC, particularly as it relates to enforcement?

Ms. WHITE. Thank you very much, Senator. I think it helps—I mean, I have extensive experience frankly from the public sector as a prosecutor and the private sector in investigating various things and trying to connect dots, trying to go up the chain to see whether there is evidence at high levels, and I really look forward to reviewing the entire enforcement function and hopefully adding value there from my experience in both the private and public sector.

Senator TESTER. If you saw wrongdoing with the folks that you regulate, would you have any hesitancy whatsoever going after them? Now, let me tell you where I am going with this. Senator Brown talked about the comments were made of too big to jail. Others talked about—I think it was you that talked about DOJ that has to consider collateral consequences.

If I was a bad guy and wanted to take the consumers for a ride, I would design my bank, my financial institution, so that you could not prosecute them.

Do you see any reason out there why you would not prosecute regardless of how big they are?

Ms. WHITE. Again, from the SEC perspective, I do not.

Senator TESTER. OK. You talked about in your opening remarks your goals, Dodd-Frank, JOBS Act as far as the rulemaking goes, specifically Regulation A plus, which does not have any statutory deadlines. Could you just talk to me about—and we all talked about the first day you are in, you have got all this stuff to do. Could you just tell me how you are going to move that to the top of the list?

Ms. WHITE. I think that it is, again, something that—whether a deadline or not——

Senator TESTER. Yes.

Ms. WHITE. And, again, the SEC has obviously been given a daunting list of rulemaking to do. I recognize that. But I think all

of them have to proceed—the work streams have to be such that they all get done.

You know, again, I come back to maybe I am not a naive person, but, you know, I think it has to be done. Some are easier to do than others as well, and there is no reason to hold them up.

Senator TESTER. Good. Well, I think that if there is some attention paid to them, which I have the clear indication that you are going to pay some attention to them, that those rules will be forthcoming in much better order than they have in the past.

Rich Cordray, first of all, I want to thank you for what you have done. I think you have done some good work. I want to talk about something that has been pointed out to me from Indian country in tribal communities. And I believe there is a Memorandum of Understanding with the Navajo Nation at this point in time with you. These tribes have a unique relationship, and I should have asked Senator Brown when he was here whether there are any Indian reservations in Ohio or not, but there are many in Montana. And President Obama issued an Executive order mandating that agencies create and maintain a formal consultation policy with Native American tribes. I think it is very important from my perspective. This consultation is critically important as we deal with Government-to-Government relationships. And I appreciate the outreach CFPB has done.

I just wondered: Have you initiated a formal consultation policy for Native American governments?

Mr. CORDRAY. We are doing that, Senator. In fact, we have been doing a lot of outreach to the tribal communities and understand that they have particular needs as consumers and deserve protection. As you say, we recently entered into a Memorandum of Understanding with the Department of Justice and the Navajo Nation. We have done a lot of consultation with them over the particulars of the Cobell settlement, making sure that everyone is vigilant about potential scams and frauds around that money coming to the tribal community. We treat the tribes as sovereign entities, and we are working with them through our Office of Intergovernmental Affairs.

If I could, Mr. Chairman, my staff, who always know more in the aggregate than I do as an individual, does inform me that the answer to Senator Coburn's question is yes, we do submit information to USASpending.gov. We will tell him that, but if you would pass that along, I would appreciate it.

Senator TESTER. That is good. I want to follow up on the consultation.

Mr. CORDRAY. Yes.

Senator TESTER. You said you were in the process of developing a formal consultation policy or you have developed a formal consultation policy?

Mr. CORDRAY. We have been in the process of having informal consultation and are working toward a formal consultation policy. We would be happy to follow up further with you, Senator, about what you would like to see in place.

Senator TESTER. I would love that. When do you anticipate—or can you tell me when you will have a formal consultation policy for Indian country?

Mr. CORDRAY. Based on your interest in it, I would say shortly.
Senator TESTER. OK. Thank you.
[Laughter.]
Senator TESTER. Thank you very much.
Thank you, Mr. Chairman.
Chairman JOHNSON. Senator Toomey.
Senator TOOMEY. Thank you very much, Mr. Chairman.

I would like to direct my questions to Ms. White. Thank you very much for being here. Thanks for taking the time to meet last week in my office. I enjoyed our discussion, and I appreciated that.

First, just a quick follow-up on the rulemaking regarding Reg A in particular of the JOBS Act. I know from both your testimony today and our discussion last week that you have made it clear that that is going to be a priority to get that done. I would just want to underscore how important that is now that we are almost a full year past the adoption of the JOBS Act. And unlike some of the regulations, rulemaking, such as some that come from Dodd-Frank, the Volcker Rule being a case in point, that are incredible difficult, perhaps in my view impossible, Reg A is not like that. It is really straightforward and simple.

So I hope you will use the very simplicity as a criteria for moving it up the list of priorities so that we could get that done soon. Do you expect that to be something that we could expect to see movement on in the very near future?

Ms. WHITE. I appreciate your comment on that and our discussion, and I will not predict a time, but I will say that it strikes me as one that can be moved, and I am committed to moving everything as quickly as possible. But, again, as I said, some are easier to move and faster to move than others.

Senator TOOMEY. And that would be one of them.

Ms. WHITE. Yes, at least from the outside looking in, without question.

Senator TOOMEY. Great. Thank you.

I would like to follow up a little bit also on the discussions about money market funds, and you mentioned earlier that you recognize the importance of the product. I wonder if you could just underscore the importance, especially to the commercial paper market, the marketplace that provides so much liquidity and funding that is such an important source for investors, and the fact that there is no obvious alternative, certainly not in the short run, to the money market funds as the vehicle through which this occurred. Do you agree with that summary?

Ms. WHITE. I do, Senator. Again, as I said, I have not had the opportunity to discuss, the internal discussions with the SEC, with my fellow Commissioners or the staff, but I have studied this issue, and I agree with your comments.

Senator TOOMEY. And, again, you alluded earlier to the notion that since this is the area of jurisdiction and expertise of the SEC, it makes sense that the SEC would be responsible for the rulemaking. I make no secret about my view that the FSOC has put a lot of pressure, external pressure on the SEC, and I worry that the Commission might consider doing something in response to that pressure more than response to the needs of the industry. And I am just wondering if you could assure us, since you will have a

seat on the FSOC as well as being the head of the SEC, your views on the importance of the SEC handling this.

Ms. WHITE. Yes. It is an investment product. It is where the SEC has expertise, and I think they should take the lead. I think FSOC has been, from what I have been briefed on, a very useful forum for bringing the different regulators together on different issues. But with respect to the rulemaking here, I would certainly like and expect to see it come from the SEC.

Senator TOOMEY. Thanks. Furthermore, with respect to money market funds, I think you and I share the view that taxpayers should not be at risk of bailing out a money market fund. And if a money market fund were to fail, it should fail. The investors should bear that risk, but taxpayers should not. Do you agree with that general principle?

Ms. WHITE. Well, I guess I go back to the history in 2008 where you had the breaking of the buck of the Reserve Primary Fund, and Treasury did step in to really guarantee the share price, which was to stop a run on the funds. You do not want to get to a run on the funds, I think. But I guess, you know, the reason that this is such a significant issue is to try to ensure, while preserving the product, that you do not run that risk going forward.

Senator TOOMEY. Well, right, and I know you are very well aware that that incident happened in the context of a global financial meltdown. It was not caused by, it was not particularly concentrated in the money market funds. There were more serious and acute problems in other sectors as well. I think that is important. I also think it is important to note that throughout 40 years this has been an extraordinarily safe and sound product.

But here is the question I have for your specifically. Is it your view that the role of the SEC is to make it impossible for a money market fund to break the buck?

Ms. WHITE. I think it is the role of the rulemaking to guard against—while preserving the product, you know, to guard against the systemic risk. I am not trying to be not responsive to the question, but I think that is——

Senator TOOMEY. But that is different than making it impossible for an individual fund to break the buck.

Ms. WHITE. It is probably hard to make anything impossible.

Senator TOOMEY. But that should not be the goal of the—see, my point is that the goal is to make sure investors are aware of risks that they are taking, but that this is an investment that does carry some level of risk and that that is OK.

Ms. WHITE. I mean, there certainly is—you know, there are risks with a lot of products, investment products, risk is inherent in that. Again, I think the focus is on preserving that, but also dealing with the possibility of the systemic risk and run on the funds.

Senator TOOMEY. OK. Well, I see I am out of time, but I do have some follow-up questions I will probably send to you. Thank you.

Chairman JOHNSON. Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman. To both of our witnesses, thank you for being here today.

Mr. Cordray, I think you are doing a very good job. I look forward to supporting your confirmation. I also want to say thank you

to your family—your wife and your two children—who are here today.

Ms. White, I appreciate you coming by my office to meet me. I am extremely impressed by your record as a prosecutor, and I look forward to you returning to public service. In your testimony, you mention investing in technology to keep pace with the markets. Can you discuss how a robust budget for the SEC would help achieve that goal?

Ms. WHITE. I think it is critical. I mean, today's technology is not tomorrow's, first of all, so it is very important for the SEC to be well funded for technology and some of—we are under a continuing resolution, as I think folks know, and, you know, a lot of those dollars that we do not have would have gone into technology. So that worries me.

I also think it is a great investment of monies to hire more experts, market experts into this space so we really stay on top of what is the present-day market, the complexity of it, the speed of it. And so, you know, those funds are needed.

Senator HAGAN. Thank you. The FSOC has tasked the Office of Financial Research (OFR) with analyzing the potential risks to financial stability, if any, that may be posed by the asset management industry. Given that the SEC is the expert and primary regulator in overseeing the asset management industry, would you share with me your initial thoughts on how to ensure that the SEC plays a central role in this effort?

Ms. WHITE. Thank you, Senator. My understanding is that the SEC is in active discussions with the Office of Financial Research on precisely that subject so that the SEC's expertise in that industry is brought to bear. That is something that, if confirmed, you know, I also want to learn more about.

Senator HAGAN. OK. On February 1st of this year, the SEC's Advisory Committee on Small and Emerging Companies unanimously approved a recommendation to the SEC to initiate a pilot program to increase the tick sizes for securities of smaller companies. The SEC also hosted a February 5th Roundtable on the topic.

What are your views on a pilot program that would increase this tick size for small and mid-cap companies, or stocks? What are the pros and cons of a pilot program?

Ms. WHITE. Again, this is something that, as I understand it, is under active consideration by the staff following that roundtable. I think, again, I have to be read into that before I reach a final conclusion, but clearly it is a priority to focus on that issue as well as just the small and mid-sized companies in general and to at least approach the issues with one size does not necessarily fit all, and we want obviously more liquidity for these smaller and mid-sized companies, and decimalization is a part of that, the size of the spread is part of that.

Senator HAGAN. The pilot program is going to be considered. Is that correct?

Ms. WHITE. My understanding is that the SEC is considering doing that based on the recommendation and the decimalization roundtable.

Senator HAGAN. OK. And do you know how big that would be?

Ms. WHITE. I do not. I would be happy to follow up.

Senator HAGAN. OK. That would be good.

Thank you, Mr. Chairman.

Chairman JOHNSON. Senator Moran.

Senator MORAN. Mr. Chairman, thank you very much. Mr. Cordray, Ms. White, thank you for joining us today.

I think in listening to Senator Toomey and my colleague from North Carolina, the topics that I wanted to address with you, Ms. White, have at least been addressed. But I want to add my emphasis.

One of the issues that Senator Warner and I have tried to champion is startup companies, trying to make certain that we create an entrepreneurial environment in the United States that advances the opportunities for folks with an idea to pursue those ideas and perhaps have a greater potential for success, and in the process of pursuing their success, create job opportunities for Americans. And both the topics that seem important to me is this tick size issue that you just were addressing, as well as the crowdsource funding that Senator Toomey pursued with you. And, again, you indicated in your testimony that you were going to pursue rulemaking, you would do it as quickly as possible. I want to indicate how important that is. I wanted to know if you have any serious reservations about crowdsource funding that would suggest that you would find fault with the process that Congress has instructed you to pursue. In other words, is there a philosophical or an economic reason that crowdsource funding, a consumer protection issue, that it bothers you that would delay? If you are confirmed and you are making these rules, would you be opposed to this outcome?

Ms. WHITE. Senator, thank you for the question. I know that a lot of people are very excited about this happening, crowdfunding. The SEC is always concerned about investor protection, and should be and is, and I would be throughout my tenure, if confirmed. There are some protections built into the crowdfunding mandates, and so, you know, I think that we would want to maximize those.

I also think we want to be sure that, following these rules that may come out on crowdfunding as well as some of the others, we are monitoring what is happening in the marketplace so that if there is—were there to be fraud or some other events that are occurring that needed to be addressed, that we are on top of it after it is out the door. And I know the staff of the SEC is focused on that, the Enforcement folks are, should that happen so that those investor protections can be taken care of, you know, after the rulemaking is completed.

But, again, I understand the priority that you put on it, and we will turn to that as well.

Senator MORAN. Do you know of any specifics at the SEC of concerns and why this is taking so long, any specifics about that?

Ms. WHITE. I do not, Senator. I do not.

Senator MORAN. And let me ask you—I think it is a similar question to what I have already asked but in a different way—if you were a Member of Congress and this issue was before you, would you have been supportive or opposed to this concept of crowdfunding?

Ms. WHITE. I mean, that is a much harder question for me to answer. I think with respect to, frankly, you know, a number—wheth-

er it is Dodd-Frank or the JOBS Act, you know, what I might have done as a legislator had I been fully read into it, I cannot really answer. But as a regulator, it is my mandate to carry out that rulemaking. Congress has made a policy judgment to do it expeditiously, and obviously as well and as smartly as possible.

Senator MORAN. While I would have been happy for an answer to the question about what you would have done, you did answer the question in the way that I was hoping that you would answer it, which is, "It is my responsibility to implement the laws as Congress has determined." And I am not putting words in your mouth. Is that true?

Ms. WHITE. You are not putting words in my mouth. You said it better than I did.

Senator MORAN. And then on tick size, there are lots of IPOs, access to capital that see this as an opportunity for an improvement in that access to capital, and any reservations you have, I think you have pretty well described your thoughts about this with Senator Hagan.

Ms. WHITE. I think the thought of the pilot program would be to sort of see how it works with, you know, various spreads in various stocks so that you get more information before finally deciding, you know, what is optimal. This is one that, again, I need to be read into further, but at this point I do not have a reservation.

Senator MORAN. Would you confirm that my understanding is correct, which is the SEC conducted a roundtable. It is now at the staff level. Following that roundtable, they indicated—this is, I guess, the question: Did they indicate that there is going to be a pilot program or that has not yet been determined?

Ms. WHITE. I do not know whether they have indicated it publicly, but clearly that was the discussion at the roundtable. It is under consideration by the staff, but I do not know that they have said anything publicly about a next step. They may have. I just may not know it.

Senator MORAN. Well, I really do believe that we can unlock lots of opportunities for Americans in job creation, and your job is an important one, and the regulatory environment, finding the right balance matters. And consumer protection obviously is important, but also the opportunity to create jobs for Americans is exceedingly important. And I would encourage you in both of these instances to act prudently, but to act prudently quickly.

Ms. WHITE. Understood, Senator.

Senator MORAN. Thank you.

Ms. WHITE. Thank you.

Senator MORAN. Mr. Chairman, thank you.

Chairman JOHNSON. Senator Warren.

Senator WARREN. Thank you, Mr. Chairman.

Thank you both for being here. I am not going to have any questions for Director Cordray since you have already testified 12 times. CFPB officials have testified more than 30 times. You have been an open book. I think there has been a lot of transparency, and you have won widespread praise for both your balance and your judgment.

But I do have questions. What I want to know is why since the 1800s have there been agencies all over Washington with a single

Director, including the OCC; but unlike the consumer agency, no one in the U.S. Senate has held up confirmation of their directors, demanding that the agency be redesigned.

What I want to do know is why every banking regulator since the Civil War has been funded outside the appropriations process, but unlike the consumer agency, no one in the U.S. Senate has held up confirmation of their directors, demanding that that agency or those agencies be redesigned.

And what I want to know is why there are agencies all over Washington whose rules are final, subject to the ordinary reviews and oversight, while the CFPB is the only agency in Government subject to a veto by other agencies, but unlike the CFPB, no one in the U.S. Senate holds up confirmation of their directors, demanding that those agencies be redesigned.

From the way I see how other agencies are treated, I see nothing here but a filibuster threat against Director Cordray as an attempt to weaken the consumer agency. I think the delay in getting him confirmed is bad for consumers, it is bad for small banks, it is bad for credit unions. It is bad for anyone trying to offer an honest product in an honest market.

The American people deserve a Congress that worries less about helping big banks and more about helping regular people who have been cheated on mortgages, on credit cards, on student loans, on credit reports. I hope you get confirmed. You have earned it, Director Cordray.

So my questions are for Ms. White. Thank you very much. We have gotten a sense of you as a rule writer, and I am glad that is—I mean as a prosecutor, but I want to ask a couple of questions around rule writing, and actually I am going to start in the same place many of my colleagues have, and that is to talk about the things that have not yet been done. In fact, I will just make a little note here. The consumer agency has met virtually all of its rule-writing deadlines. The SEC has missed about half of them so far.

But everyone has been highlighting the rules that they want to make sure that you focus on. I just want to draw a line under four of them that the SEC has not yet written any rules for.

There are still no rules for credit rating agencies that took money to sign off on risky deals that crashed the economy and still operate with big conflicts of interest.

There are still no rules from the SEC to deal with the derivatives that were right at the heart of the financial crisis.

There are still no rules from the SEC to protect the counties and towns that were cheated.

There are still no rules from the SEC to require disclosure of CEO pay relative to regular employees' pay.

So if people are going to talk about priorities, I certainly hope that those are all near the top of your list.

But one other thing I want to ask you about rule writing, because it came up earlier in the discussion, is the economic analysis or the cost/benefit analysis. You know, it is fairly easy to measure the costs of implementing a regulation. But what about the costs of underenforcing the rules? So what are the costs of people being cheated on mortgages and credit cards? What are the costs when

money launderers are not prosecuted? What are the costs when big financial institutions crash our economy?

So my question is: How do you make sure that when we are talking about cost/benefit that the costs not just of enforcing regulations but the costs of underenforcing those regulations is also accounted for, Ms. White?

Ms. WHITE. I appreciate the question. I think it also relates to measuring the benefits. I think it is kind of at least a similar issue, if not the same. Again, one of the things, if confirmed, I want to do first also when I get to the SEC is to really bore into exactly how this is being done. I also have the concern, as we all do, even though in terms of having our rules upheld by the courts, that needs to happen as well. But I think we have to recognize that there are some benefits, the cost of underenforcement, that have to be analyzed on their terms; in other words, that, you know, you have to say if you cannot quantify, you say why you cannot quantify. Or perhaps you do quantify, but you use a different parameter to do it. So I fully take your point.

Senator WARREN. OK. Thank you very much. I see my time is up.

Thank you very much, Mr. Chairman.

Chairman JOHNSON. Senator Merkley.

Senator MERKLEY. Thank you very much, Mr. Chair, and thank you to both of you for coming to testify.

First I wanted to accentuate the comments that Senator Moran made over crowdfunding. That legislation here in the Senate was my legislation. It was focused on the fact that I go to town meetings, I have been to over 160 of them in Oregon, and people really are looking for sources of capital to drive small business. So here is an incredible need for small business capital and a new, innovative strategy for helping provide that source of funds, and the rules were supposed to be done in January, and we do not even have a draft yet. So how can something so important to the economy, so important to the success of small business, with folks on both sides of the aisle saying that small businesses really create jobs in America, how is it possible the SEC does not even have a draft completed at this point?

Ms. WHITE. Well, I would go back to—and this is not offered by way of excuse, but the rulemaking that the SEC is undertaking as a result of Dodd-Frank and the JOBS Act truly is daunting. I mean, it truly is.

On the other hand, I think, as I said in my oral remarks and my written testimony as well, these rules need to get out, and I need to figure out what work streams, additional work streams need to be put in place to do that.

Senator MERKLEY. Thank you. Just take my remarks as an encouragement that something so important to the economy deserves to be near the top of the list.

I want to turn to Director Cordray. Director, the CFPB is the only banking agency with decisions that are subject to the veto of its rulemaking powers by another agency. Is that correct? The FDIC does not have such a veto. The OCC does not have such a veto. The Fed does not have such a veto.

Mr. CORDRAY. That is my understanding, Senator, yes.

Senator MERKLEY. Thank you. And the CFPB is the only banking agency with a capped budget?

Mr. CORDRAY. That is correct.

Senator MERKLEY. OK. These are extraordinary, then, measures related to the CFPB, and yet all we kind of hear about is the CFPB actually has fewer restrictions than other banking agencies. Why is there so much confusion among some of my colleagues on this point?

Mr. CORDRAY. I do not know, Senator.

Senator MERKLEY. Thank you.

Something that you have been working very hard on with your agency is assisting veterans and seniors and home buyers with relevant financial information. Have the veterans, seniors, and home buyers found that financial information to be of some use?

Mr. CORDRAY. It has been a two-way street. I know that they have. There are changes that Assistant Director Petraeus has been able to achieve, such as taking account of Permanent Change of Station Orders and the kind of disruption that creates in the lives of servicemembers and their families, and making sure that they have additional protections for those.

It is also the case that all of those discussions have brought back ideas and thoughts to us about how we can better deliver more effective protections for the unique circumstances of active-duty servicemembers, the strains it puts on their family, and as they become veterans and graduate out of the service, peculiar needs that they have as consumers. That has been a high priority for us. I want to thank the Congress for the work they did on the Military Lending Act at the end of last year. We are working with the Defense Department and the other agencies to implement that appropriately and effectively, and we will continue to do that work. It is an important focus for the agency.

Senator MERKLEY. Well, thank you. I can tell you I am hearing nothing but praise back home from veterans' groups and senior groups for the type of work that you are doing.

Another thing that CFPB is doing is a research-driven approach on financial literacy. For example, there is a whole host of financial literacy programs. Which ones actually work? I understand you are researching that. Consumer disclosures, what the format for consumer disclosures is actually of use to consumers? This is ongoing research. I do not know that you have published findings yet. But I think it is a great idea. Do you think it is going to have considerable promise in helping us understand better how to provide financial literacy or provide consumer protections that are at the right place at the right moment?

Mr. CORDRAY. We are convinced that it will. It has been part of the leadership of the Consumer Financial Protection Bureau since we first were created that Know Before You Owe is an important principle, and that we need to rethink some of the assumptions in this field from the past, such as extensive, long, protracted disclosures were somehow good for consumers when, in fact, they often defeated consumers' abilities to understand or their willingness to wade through.

We have published a proposal, and we will be finalizing Know Before You Owe provisions for mortgages later this year. We have

voluntary efforts underway with industry at the moment on credit cards that we are pursuing. And we have Know Before You Owe efforts on student loans, which are very important and are part of our Paying for College Module, which is now up on our Web site and we are going to be promoting heavily over the next month as people come to making decisions about higher education. They and their families find those difficult and confusing at times.

Senator MERKLEY. Thank you. My time is up, so I just want to note that all of these things are making families stronger, more successful. That is incredibly important. We should not be measuring the success of the American economy, if you will, simply by GDP but by how many families have living-wage jobs and how many families have the financial foundations to have a quality life. And I think your agency is playing an incredibly important role under your leadership in making that happen.

Thank you.

Mr. CORDRAY. I appreciate that, Senator.

Chairman JOHNSON. Senator Schumer.

Senator SCHUMER. Thank you, Mr. Chairman. I want to thank both witnesses. I have no questions for Mr. Cordray. I just fully support your nomination, and I do find it anomalous. You are in the same boat as some of our people on the D.C. Circuit. People are opposing you not because of you but because they do not want the body to which you are nominated to function properly. And it is something brand new, and I hope it is something people will reconsider.

I have two quick questions for Mary Jo White. First, on credit rating agencies, as part of Dodd-Frank there was a bipartisan amendment led by Senators Franken, Wicker, and myself, and it gave the SEC authority to issue regulations rooting out conflicts of interest in credit ratings for structured products. The amendment passed on the Senate floor with 64 votes. It was bipartisan. Ranking Member Crapo voted for it. So did 10 other Republicans.

So it is now 2½ years later, and the Commission has not used the authority. I understand the Commission is going to be hosting a roundtable on the topic in May. It is my hope that the Commission will then quickly proceed to a rulemaking as Dodd-Frank authorizes you to do.

Will you make it a priority to exercise the Commission's authority under Dodd-Frank to address the conflicts of interest in rating of structured products?

Ms. WHITE. I will, and I think it is an extremely important issue.

Senator SCHUMER. Good. That is all I can ask.

Second question: As you know, because you and I have discussed this previously, I am very interested in a rule proposal before the Commission enhancing the ability of retail investors to access proxy materials and actually vote their shares. We all know that that does not happen enough. It is called the "investor mailbox proposal" or the "enhanced brokers' Internet platform."

Can you state for the record whether you support this proposal?

Ms. WHITE. There is a tremendous amount of support for it, and as we discussed privately, it is a very, very good idea. I think the rule, the proposed rule, is still pending, but it is an excellent idea.

Senator SCHUMER. You would make that a priority?

Ms. WHITE. I would. I would.

Senator SCHUMER. Thank you.

Mr. Chairman, the old maxim is, "Quit while you are ahead."

[Laughter.]

Chairman JOHNSON. Thank you, Ms. White and Mr. Cordray, for your testimony and for your willingness to serve our Nation. Please submit your answers to the written QFRs as soon as possible so that we can move your nomination in a timely manner.

This hearing is adjourned.

[Whereupon, at 11:56 a.m., the hearing was adjourned.]

[Prepared statements, biographical sketches of nominees, responses to written questions, and additional material supplied for the record follow:]

PREPARED STATEMENT OF RICHARD CORDRAY

NOMINEE FOR DIRECTOR OF THE CONSUMER FINANCIAL PROTECTION BUREAU

MARCH 12, 2013

Chairman Johnson, Ranking Member Crapo, and Members of the Committee, I am honored to be here once again as the nominee to serve as the Director of the Consumer Financial Protection Bureau. I am grateful to the President for the confidence he has shown in me and for giving me the opportunity to continue serving our country in this role. If confirmed, I pledge that I will do all I can to carry out and enforce the law that Congress passed to protect consumers and help consumer financial markets emerge from the devastating financial collapse of 2007–2008.

Over the past 2 years, I have come to understand how your Committee exercises great responsibility for managing legislation that affects the lives of all Americans. I am in earnest in saying that it is a pleasure to appear before you frequently in my current role, and we have seen that our relationship can be cooperative and fruitful. If confirmed, I look forward to working closely with each of you to pursue the common goal that we share: to see that the people and families whom we serve are treated fairly in the essential marketplace for consumer finance.

I am also glad once again to have my wife Peggy and my twins Danny and Holly here with me today. Like many of you, I commute back and forth from a long distance to do this work. My family has been willing to make real sacrifices, without complaint, because they believe in what I am doing to serve our country. They know how deeply I care for them and depend on their steadfast support.

From childhood, my parents taught me the value of work that seeks to improve the lives of others. My Dad, Frank, who just turned 95 last month, spent his entire career in programs that served children and adults with developmental disabilities. My Mom, Ruth, who died of cancer when I was in college, founded the first foster grandparent program for the developmentally disabled in Ohio, in addition to doing all the many and various things that a mother does to raise three rambunctious boys.

My approach to the role of Director is deeply informed by their influence. It is also deeply informed by more than two decades in public service. After completing degrees in political theory, economics, and law, I worked as an attorney in the private sector with individual and business clients. During that time, I was in and out of public service, including a brief stint in the Ohio legislature where I first became involved in consumer protection law. In 2002, however, my life took a different direction when I became the Franklin County Treasurer.

The job required me to develop managerial skills and knowledge needed to run a financial office and safeguard public funds. But there was also another, very significant dimension of this work. From the beginning, I set out to collect millions of dollars from those who were evading paying their property taxes, and in doing so to protect all the law-abiding taxpayers and businesses who faithfully find a way to meet their obligations.

As I went about that task, I was deeply impressed by the importance of consumer finance issues and the growing difficulties they posed for families and households. Although I found that many delinquent taxpayers were not willing to pay their share until we moved aggressively to enforce the law against them, I also found something different and noteworthy: Many others did not want to be in trouble, and wanted to pay their share, but were in tough circumstances through no fault of their own. Sometimes it was because of the loss of a job. Other times it was because of a death or serious illness in their family or because of a divorce that heaped on the added expense of running two households instead of just one.

Out of these experiences, I developed a resolve to address these kinds of financial difficulties that confront our communities. I quickly learned that there is no such thing as a one-size-fits-all solution as we seek to aid those who want to do the right thing and, when necessary, to thwart those who seek to take advantage of others. On a variety of issues, we experimented with new approaches, and sought partnerships with a wide array of stakeholders. We were successful in pushing for a new law requiring high school students to receive personal finance education before they could graduate. As we saw the foreclosure crisis wreaking havoc in many neighborhoods, we created a "Save Our Homes" task force to bring together businesses and banks, nonprofits, and Government, to work together in assisting people who were just frantic not to lose their homes.

Later I became the State Treasurer. In that position, it was my primary duty to protect the public's money during the financial crisis, a job I fulfilled by steering clear of risky investments. In addition, I continued to work on consumer issues. We expanded the "Save Our Homes" program into a statewide effort, and I cochaired

a task force to work with mortgage servicers on a voluntary basis to seek fair treatment of their customers. The Chief Justice of the Ohio Supreme Court and I teamed up to start a foreclosure mediation program in the courts. And we implemented the new personal finance education law by developing a curriculum and training hundreds of teachers.

Another major initiative during my time as Treasurer was the dramatic expansion of a low-interest loan program designed to help small businesses create jobs and to help farmers obtain needed funds on an affordable basis. We went out of our way to make this initiative available to the community banks that make credit available to borrowers and form the backbone of our smaller and medium-sized towns. All of this work reinforced for me how creative strategies can be beneficial to both consumers and honest businesses.

Before coming to the Bureau as the chief of Enforcement, I also served as the Ohio Attorney General. There, we took on sweepstakes scams and other frauds targeting the elderly. We pursued many actions against foreclosure rescue scammers who were reaching into the pockets of desperate people in an effort to steal what little remained as they sought to keep their homes. And where necessary, we pursued those mortgage servicers who, despite strong warnings, repeatedly violated consumer protection laws.

As Ohio's Attorney General, I instituted an early warning policy of notifying parties and giving them a chance to tell us their side of the story before we filed a lawsuit. On a number of occasions, this policy allowed us to resolve issues without going to court.

At every stage of our work, I believed—and I believe today—that law enforcement which is evenhanded, fair, and reasonable not only protects consumers, but also supports what I call the honest businesses in two key ways. First, the businesses that cheat can gain a significant and unfair advantage, and law enforcement protects honest businesses against the cheaters. Second, keeping the marketplace clean ensures consumers are treated fairly and gives them confidence they need to participate in that market.

These are the experiences that brought me in January 2011 to the Consumer Financial Protection Bureau. When I became director 1 year later, I resolved to do everything in my power to make the Bureau accountable to American consumers, to American businesses, and to the Congress.

As the economy recovers, we want people to know they now have a new agency standing on their side, looking out for their interests, to help restore their confidence in the consumer financial marketplace. So far, even though our work is still in its early stages, we have been busy addressing some of the most critical problems.

For the largest single consumer financial market—the mortgage market, worth trillions of dollars—we have adopted new rules to ensure that the excessive and irresponsible practices that helped precipitate our Nation's financial calamity cannot be repeated. These rules protect people shopping for a loan from being saddled with something they cannot afford. They protect existing homeowners from getting the runaround and being hit with surprises by their mortgage servicers. And, critically, they help struggling homeowners fighting to be responsible borrowers, pay back their mortgages, and avoid foreclosure.

In the credit card market, we are implementing and overseeing the extensive positive changes that Congress made in the CARD Act. For consumers who have been deceived by credit card companies, we have worked closely with our fellow regulators to put $425 million back in consumer's pockets, with more to come.

In the student loan market, we have teamed up with the Department of Education to create products like the Financial Aid Shopping Sheet, which helps students understand how best to manage increasing levels of student loan debt.

We also are developing and delivering powerful new tools for all consumers. For consumers who have felt disempowered by the convoluted rhetoric around many financial products, we have harnessed the power of technology to deliver clear information through our "Ask CFPB" tool, which is an interactive database of nearly 1,000 answers to common consumer questions.

Perhaps the most direct example of addressing problems in the consumer finance markets is our consumer response function. To date, we have already handled more than 130,000 complaints from people in every State around the country. Consumers have contacted us for help resolving specific problems they have experienced with consumer financial products and services, ranging from improper charges on credit cards to mortgage payments that were wrongly applied. Many of these complaints have been referred to us by you and your colleagues, and we thank you for that. Through our consumer response operation, we have helped return millions of dollars to consumers and have addressed many problems that had been frustrating your constituents for months or even years.

We have begun to fulfill our pledge of transparency around the work we are engaged in. We are presenting information to the public about our Consumer Complaint Database, which sheds new light on where customer service is falling short and how it can be improved. And we are building a National Mortgage Database that will allow researchers to track the long-term performance of this critical marketplace for consumer credit in ways not possible before.

We are also experimenting with new methods of broadening public participation and heightening our accessibility in our rulemaking process. We have embarked on unprecedented efforts to assist industry in implementing our new rules. Our goal is to reduce the compliance burdens of implementation and help us better understand how to write practical rules that deliver value for consumers.

Along with these initiatives, we are responding to an explicit challenge that Congress laid down for us by attacking the unique problems that confront special populations of consumers. In addition to our work with students, Assistant Director Skip Humphrey and his team are working to help older Americans get sound information and advice about their retirement finances.

We have also become fierce advocates for servicemembers, veterans, and their families. Assistant Director Holly Petraeus and her dedicated team have helped secure changes in mortgage programs to take account of permanent-change-of-station orders. They have also empowered servicemembers and veterans to make more informed decisions about how to use their benefits under the GI Bill for the 21st Century. And they have highlighted how consumer debt can adversely affect security clearances.

So these are the kinds of issues that the Consumer Bureau is already addressing on behalf of the millions of American consumers from coast to coast, reflecting the full diversity of this great country. Of course, there is much more to be done in each of these areas, and we are determined to make more progress. Our essential work is to serve and protect consumers—our mothers and fathers, sisters and brothers, sons and daughters—all the people of this country who rely every day on the markets for consumer finance. They deserve a fair shake, and they deserve to have this agency standing on their side to make sure they are treated fairly.

Mr. Chairman and Members of the Committee, thank you for your time and your consideration today. I will be glad to answer your questions.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Cordray (Last) Richard (First) Adams (Other) (Middle)

Position to which nominated: Director, Consumer Financial Protection Bureau

Date of nomination: February 13, 2013

Date of birth 3 May 1959 (Day) (Month) (Year) **Place of birth:** Columbus, Ohio

Marital Status: Married **Full name of spouse:** Margaret Meriwether (Peggy) Cordray

Name and ages of children:

Daniel Adams Cordray, 14

Holly Elizabeth Cordray, 14 (twins)

Education:

Institution	Dates attended	Degrees received	Dates of degrees
University of Chicago Law School	1983-1986	J.D.	1986
Oxford University (England)	1981-1983	M.A.	1983
Michigan State Univ. (James Madison College)	1977-1981	B.A.	1981
Grove City High School	1973-1977	diploma	1977

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Law school: Order of the Coif; Floyd Mechem Scholarship (full academic scholarship); Editor-in-Chief of the *Law Review*; Olin Fellowship in Law and Economics; Phi Kappa Phi Scholarship

Oxford: Degree awarded with First-Class Honours; Marshall Scholarship from British government (full academic scholarship); Open Scholarship from Brasenose College

College: Degree awarded *Summa Cum Laude*; Alumni Distinguished Scholarship (full academic scholarship); Phi Beta Kappa; Phi Kappa Phi; Golden Key National Honor Society

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Ohio Bar Association	member	1989-present
Columbus Bar Association	member	1989-present
Catholic Social Services of Central Ohio	advisory board member	2004-2007
Central Ohio Community Improvement Corp.	board member	2004-2007
Grove City Area Chamber of Commerce	member	1989-present
Westland Area Business Association	member	1989-present
Hilltop Business Association	member	1989-2008
Shamrock Club of Columbus	member	2004-present
Y.M.C.A. (Hilltop) of Central Ohio	advisory board member two-term board President	1991-1998
N.A.A.C.P.	life member	1998-present
Sertoma	member	2002-present
DeMolay youth group	member and chaplain	1973-1977
Ohio Democratic Party	current member and past executive committee member	1989-present
Franklin County Democratic Party	current member and past executive committee member	1989-present

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

Ohio Department of Mental Retardation & Developmental Disabilities (policy intern, summers during college, 1978-1981), Columbus, Ohio

Jones Day Reavis & Pogue (summer associate, 1984; associate, 1988-1993; law firm), Columbus, Ohio

Cravath, Swain & Moore (summer associate, 1985; law firm), New York, New York

University of Chicago Law School (research assistant to Richard Posner, 1984-1986), Chicago, Illinois

U.S. Department of Justice (law clerk for the Solicitor General's office, summer 1986), Washington, D.C.

U.S. Circuit Court of Appeals for the D.C. Circuit (law clerk, 1986-1987), Washington, D.C.

U.S. Supreme Court (law clerk, 1987-1988, 1989), Washington, D.C.

Ohio State Representative, 33rd House District (elected legislator, 1991-1993), Columbus, Ohio

Adjunct Professor, Ohio State College of Law (1989-2002), Columbus, Ohio

Ohio Solicitor General (Ohio Attorney General's office, 1993-1994), Columbus, Ohio

Sole Practitioner and Of Counsel to Kirkland & Ellis (law practice, 1995-2007), Columbus, Ohio and telecommuted to Washington, D.C.

Franklin County Treasurer (elected executive position, 2002-2007), Columbus, Ohio

Ohio Treasurer of State (elected executive position, 2007-2009), Columbus, Ohio

Ohio Attorney General (elected executive position, 2009-2011), Columbus, Ohio

Assistant Director and Chief of Enforcement, U.S. Consumer Financial Protection Bureau (2011-2012), Washington, D.C.

Director, U.S. Consumer Financial Protection Bureau (2012-present), Washington, D.C.

Government Experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

In addition to those listed above:

Consultant work with the U.S. Department of Justice, 1998-2003; appointed as special counsel by both Clinton and Bush Justice Departments to brief and argue multiple cases representing federal officials (law enforcement and national security officials) in the U.S. Supreme Court

I have personally argued seven cases in the U.S. Supreme Court

Ohio Supreme Court, Committee to Study the Impact of Drug Abuse on the Courts (volunteer staff counsel, 1989-1991)

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

I have done my best to identify all books, articles, letters to the editor, editorials, and other published materials including a thorough review of my personal files and searches of publicly available electronic databases. I have located the following:

"Financially empowering stay-at-home partners," published in the *Huffington Post* (October 25, 2012)

"CFPB helping fix mortgage industry," published in *Politico* (February 12, 2012)

The Solicitor General's Changing Role in Supreme Court Litigation, 51 B.C. L. Rev. 1323 (2010) (with Margaret M. Cordray)

"Creating Safe and Responsible Digital Citizens," published in Hillsboro *Times-Gazette* (September 15, 2010)

"Seniors Must Watch Out for Consumer Scams," published in Hillsboro *Times-Gazette* (August 5, 2010)

"In June, Look Out for Home Improvement Fraud," published in Georgetown *News Democrat* (July 17, 2010)

"Introducing a New Tool to Fight Scams," published in NFPB magazine (July 2010)

"Confronting Elder Abuse in Ohio," published in Hillsboro *Times-Gazette* (May 18, 2010)

"Hoops at the Highest Court," published in *Wall Street Journal* (May 15, 2010) (with Harry Litman)

"Attorney General: I Balance Everyone's Right to Lake Erie Shore," published in Sandusky *Register* (May 6, 2010)

"Why We Won't File States Rights Suits" on new health care law, published in *Politico* (April 10, 2010) (with Tom Miller)

"Health Care Law and Ohio: It Is Constitutionally Sound and No Challenge Would Prevail," published in Cleveland *Plain Dealer* (April 4, 2010)

"Supporting Small Businesses in a Tough Economy," published in Huron *Hometown News* (February 10, 2010)

"Consumers Complaining About Service," published in Marietta *Times* (January 30, 2010)

"Fighting for Ohioans on Wall Street," published in Hillsboro *Times-Gazette* (January 5, 2010)

"Recognizing and Preventing Domestic Violence in Ohio," published in *This Week* newspapers (October 7, 2009)

"Fighting Foreclosure on Multiple Fronts," published in *This Week* newspapers (August 26, 2009)

Setting the Social Agenda, 57 U. Kan. L. Rev. 313 (2009) (with Margaret M. Cordray)

"Attorney General Explains New Hires," published in Cleveland *Plain Dealer* (May 18, 2009)

"Efforts Aimed at Thwarting Bid Rigging," published in *This Week* newspapers (April 8, 2009)

"New Tools Help Consumers to Help Themselves?," published in *This Week* newspapers (March 11, 2009)

"Attorney General Vows to Help, But Seeks Public's Help in Return," published in *This Week* newspapers (February 4, 2009)

"What Does Trouble on Wall Street Mean on Your Street?," published in *Cincinnati Parent* magazine (October 1, 2008)

"Don't Buy the Hype," published in *Cincinnati Parent* magazine (April 1, 2008)

Strategy in Supreme Court Case Selection, 69 Ohio St. L.J. 1 (2008) (with Margaret M. Cordray)

"Saving and Paying for College Is a Lot More Complicated than in the Past," published in Athens *News* (September 4, 2007)

"Numbers that Don't Befit the Court," published in Washington *Post* (July 11, 2006) (with Margaret Cordray)

The Philosophy of Certiorari, 82 Wash. U. L.Q. 389 (2004) (with Margaret M. Cordray)

The Calendar of the Justices, 36 Ariz. St. L.J. 183 (2004) (with Margaret M. Cordray)

Justice White and the Democratic-Republicans, 74 U. Colo. L. Rev. 1319 (2003)

The Supreme Court's Plenary Docket, 58 Wash. & Lee L. Rev. 737 (2001) (with Margaret M. Cordray)

"Should the Media Get Special Access?," published in Cleveland *Plain Dealer* (March 24, 1999)

"Do Cop/Reporter Raids Violate Privacy? Moreover, Police Want to Make Sure that Journalists Understand the Nature of Police Work and Report on It Accurately," published in Columbus *Dispatch* (March 20, 1999)

"Nothing to Gain in Pursuing Microsoft," published in Cleveland *Plain Dealer* (June 17, 1998)

"High Court Mulls Huge Religious Issue," published in Columbus *Dispatch* (April 19, 1997)

"Legalities Extremely Complex," published in Columbus *Dispatch* (April 4, 1997)

"Brady Case Will Test Federalism's Limits," published in Columbus *Dispatch* (November 9, 1996)

"'English Only' Fight Goes to High Court," published in Columbus *Dispatch* (October 12, 1996)

"Drivers Must Yield a Few Rights to Police in War Against Crime, Court Decides," published in Columbus *Dispatch* (July 1, 1996)

"Court Will Take Up Touchy Issue: Race," published in Columbus *Dispatch* (May 4, 1996)

"'School Choice' Debate Takes New Turn," published in Columbus *Dispatch* (March 2, 1996)

Keynote Speech on *The Supreme Court's Role in American Federalism* for the National Federalism Summit (1995)

"Supreme Court Grapples with Information Age Issues," published in Columbus *Dispatch* (December 28, 1995)

"States Seek to Reverse Loss of Powers," published in Columbus *Dispatch* (November 25, 1995)

"Huge Jury Awards Dismay Many, but Reform's Difficult," published in Columbus *Dispatch* (October 15, 1995)

Free Speech and the Thought We Hate, 21 Ohio N.U.L. Rev. 871 (1995)

The Emerging Jurisprudence of Justice O'Connor, 52 U. Chi. L. Rev. 389 (1985) (with James T. Vradelis)

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Ohio Democratic Party, current member and past executive committee member, 1989-present

Franklin County Democratic Party, current member and past executive committee member, 1989-present

Assisted Obama for President Committee, 2008

Assisted Kerry for President Committee, 2004

Candidate for Franklin County Treasurer (elected 2002, 2004); for Ohio Treasurer (elected 2006); for Ohio Attorney General (elected 2008, defeated 2010)

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

(Local)

Ohio Democratic Party, $1,000 6/17/2011
Strickland for Governor, $1,000 4/9/2008
Jennifer Brunner Committee, $5,000 10/30/2006
Cordray Committee, $5,000 6/9/2006
Ohio Democratic County Chair PAC, $500 11/14/2005
Ohio Democratic Party, $9,500 1/31/2007
Ohio Democratic Party, $1,000 4/3/2006
Ohio Democratic Party, $3,000 3/10/2006
Ohio Democratic Party, $2,000 2/13/2006
Robinson for Ohio, $500 10/18/2010
Jennifer Brunner Committee, $1,000 11/27/2006
Jennifer Brunner Committee, $500 9/22/2006
Cordray Committee, $9,000 4/20/2006
Coleman for Ohio, $5,000 7/1/2005
Ohio Democratic Party, $1,500 5/27/2006
Ohio Democratic Party, $10,000 3/30/2006
Ohio Democratic Party, $15,000 2/28/2006
Ohio Democratic Party, $15,000 12/13/2005

Ohio Democratic Party, $10,000 10/28/2005

Ohio Democratic Party, $5,000 3/16/2005

(Federal)
21st Century Democrats, $5,000 6/16/2005
Ohio Democratic Party, $10,000 1/31/2006
Zack Space for Congress, $750 8/26/2006

Ohio Democratic Party, $4,500 2/8/2007
Ohio Democratic Party, $5,000 3/16/2005
Kilroy for Congress, $500 12/9/2005

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

In relation to the Director position at the Consumer Financial Protection Bureau, my qualifications include more than a year now performing the responsibilities that Congress conferred upon me in that role, which I have sought to do in a balanced and thoughtful way. Prior to my appointment, I have had extensive executive experience in government, experience in financial matters, experience in consumer protection, experience working in a bipartisan manner on legislative and economic issues, and a long background in a private-sector legal practice that addressed governmental and financial issues for a variety of public and private clients.

For the past two years, I have worked at the Bureau, first serving on the implementation team with the specific role of setting up the enforcement arm of the Bureau, then serving as the Chief of Enforcement, and for the past year serving as the first Director. This experience has given me exposure to all the various issues and challenges involved in creating and building the new agency and fulfilling its new role of focusing on providing appropriate protections for people in the consumer financial marketplace, as well as the broader issues of how the Bureau will fit within the other federal banking and independent agencies whose collaboration and cooperation is important to fulfilling our new duties successfully.

Prior to this position, I served for two years as the Ohio Attorney General, where we pursued civil and criminal law enforcement aggressively on many fronts, including consumer protection where the principal authority under state law is lodged in that office. I worked with my fellow attorneys general on task forces addressing issues of mortgage fraud, consumer protection, and antitrust. As Attorney General, I managed an office comprising about 1,500 employees, including hundreds of attorneys and hundreds of law enforcement officers, with an annual budget of over $220 million. In addition, I was elected to that office in the wake of a scandal that prompted the resignation of my predecessor, and after considerable effort my team was widely credited with restoring order and professionalism to the office.

Before serving as Attorney General, I was elected to serve as Ohio Treasurer of State and, before that, as Franklin County Treasurer. In those positions, I was the chief banker, investment manager, debt administrator, and financial officer for the state and for one of the few AAA-rated counties in the country. In those positions, I have worked with a wide variety of institutions, including banks and other financial institutions, in a partnership role. I also gained exposure to and increasing knowledge about current consumer finance issues, such as foreclosure prevention and mitigation, debt collection, financial literacy, and consumer empowerment. I worked on these issues with elected officials on both sides of the aisle and with leaders from the public, private, and nonprofit sectors and was selected as the "County Leader of the Year" nationally in 2005 by *American City and County* magazine for our work in these areas.

I also have a strong educational background in legal and economic issues, both at the undergraduate and graduate levels, including a master's degree in economics and a law degree.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

   N/A (currently employed by the Consumer Financial Protection Bureau)

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

   I have no such plans.

3. Has anybody made you a commitment to a job after you leave government?

   No.

4. Do you expect to serve the full term for which you have been appointed?

   Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

   In connection with the nomination process, I have consulted with the Office of Government Ethics and the Consumer Financial Protection Bureau's (CFPB) designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with CFPB's designated agency ethics official.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

   In connection with the nomination process, I have consulted with the Office of Government Ethics and the Consumer Financial Protection Bureau's (CFPB) designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with CFPB's designated agency ethics official.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Consumer Financial Protection Bureau's (CFPB) designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with CFPB's designated agency ethics official.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Consumer Financial Protection Bureau's (CFPB) designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with CFPB's designated agency ethics official.

Civil, criminal and investigatory actions:

1. Give the full derails of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

I have been involved in no such matters in my personal capacity. Over the past decade in public service and politics, I was the defendant in one wrongful termination suit, three election complaints, and one disciplinary complaint – all were dismissed as lacking merit or withdrawn. In various lawsuits, I was named as a formality *ex officio* in challenges to state laws and state fiscal actions. As Director of the Consumer Bureau, I have been named in my official capacity in a number of lawsuits, which are pending. None alleges wrongdoing on my part.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

One disciplinary action was filed against me when I was the Ohio Attorney General for allegedly violating attorney-client privilege in my office's handling of a public matter. The filing was dismissed as lacking merit.

The undersigned certifies that the information contained herein is true and correct.

Signed: Richard Cordray Date: February 15, 2013

PREPARED STATEMENT OF MARY JO WHITE

NOMINEE FOR CHAIR OF THE SECURITIES AND EXCHANGE COMMISSION

MARCH 12, 2013

Chairman Johnson, Ranking Member Crapo, and Members of the Committee, it is my privilege to appear before you today as President Obama's nominee to be the 31st Chair of the Securities and Exchange Commission.

There is no higher calling than public service. As the United States Attorney for the Southern District of New York for almost 9 years, I worked very hard on behalf of the American people investigating, prosecuting, and punishing those who committed crimes. From white collar criminals to terrorists—regardless of the complexity of the case or the identity of the defendant—we always strove to do the right thing and to vigorously enforce the law. Today, I am honored by the prospect of potentially returning to public service as the Chair of the SEC to help carry out its essential mission.

While I served as United States Attorney, our office worked closely with the SEC investigating and prosecuting violations of the Federal securities laws by both companies and individuals. Through that experience, I became a strong admirer of the expertise, independence, and commitment of the Commission and its staff. I fully appreciate the critical role the SEC plays as the primary regulator of our capital markets and as a strong advocate on behalf of investors. Today, in the wake of the financial crisis and in the midst of implementing the substantial legislative mandates of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the Jumpstart Our Business Startups Act (JOBS Act), the SEC's importance and scope of responsibilities are greater than ever.

If confirmed, I will vigorously embrace and carry out the SEC's mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. The SEC's mission has a tri-partite mandate, but the component parts should not be viewed as in conflict with each other. It is the responsibility of the Chair and the Commission to take the long-term view, balance the objectives when necessary, and seek to fulfill all parts of its critical mission. Then, our markets can thrive and investors will be protected and benefit.

As was true when Chairman Schapiro was first before this Committee in 2009, this too is a crucial time for the SEC. Although the worst of the recent financial crisis may be behind us, none of us can be complacent—least of all the SEC, which has faced a number of its own challenges. Under the leadership of Chairman Schapiro and Chairman Walter, the SEC has made significant strides to strengthen its examination and enforcement functions, improve its capacity to assess risks, and enhance its technology. Our markets, however, are continuously evolving, and the technology of today is most certainly not the technology of tomorrow. Fast-paced and constantly changing markets require constant monitoring and analysis, and when issues are identified, the investing public deserves appropriate and timely regulatory and enforcement responses.

I am acutely aware that the position of Chair of the SEC carries with it heavy responsibilities and many challenges. But I commit to this Committee and the American public that, if confirmed, I will work tirelessly and do everything in my power to effectively lead the SEC in fulfilling its mission. Let me very briefly highlight a few early priorities were I to be confirmed.

First, I would work with the staff and my fellow Commissioners to finish, in as timely and smart a way as possible, the rulemaking mandates contained in the Dodd-Frank Act and JOBS Act. The SEC needs to get the rules right, but it also needs to get them done. To complete these legislative mandates expeditiously must be an immediate imperative for the SEC.

With respect to rulemaking, rigorous economic analysis is important and should inform and guide the decisions that are made. Although challenging—particularly in the quantification of benefits—in my view, the SEC should seek to assess, from the outset, the economic impacts of its contemplated rulemaking. Such transparent and robust analysis, including consideration of the costs and benefits, will help ensure that effective and optimal solutions are achieved without unnecessary burdens or competitive harm. If confirmed, I would continue the efforts of the Commission to ensure that the SEC performs robust analysis in connection with its rules and in a manner that does not undermine the SEC's ability to carry out its mandate to protect investors and our capital markets.

Second, if confirmed, it will be a high priority throughout my tenure to further strengthen the enforcement function of the SEC—it must be fair, but it also must be bold and unrelenting. Investors and all market participants need to know that the playing field of our markets is level and that all wrongdoers—individual and

institutional, of whatever position or size—will be aggressively and successfully pursued by the SEC. Strong enforcement is necessary for investor confidence and is essential to the integrity of our financial markets. Proceeding aggressively against wrongdoers is not only the right thing to do, but it also will serve to deter the sharp and unlawful practices of others who must be made to think twice—and stop in their tracks—rather than risk discovery, pursuit, and punishment by the SEC.

Third, the SEC needs to be in a position to fully understand all aspects of today's high-speed, high-tech, and dispersed marketplace so that it can be wisely and optimally regulated, which means without undue cost and without undermining its vitality. High frequency trading, complex trading algorithms, dark pools, and intricate new order types raise many questions and concerns. Are they problematic for retail and noninstitutional investors? Do they result in unnecessary volatility, or create an uneven playing field? Or do these modern-day features bring benefits such as efficiency, price reduction, and healthy competition to our markets? Do they do all of these things? The experts and studies to date have not been consistent or definitive in their observations and findings about whether and to what extent harm is caused by the current market structure and practices. There must be a sense of urgency brought to addressing these issues to understand their impact on investors and the quality of our markets so that the appropriate regulatory responses can be made. If confirmed, I will work not only to ensure that the SEC has the cutting-edge technology and expertise necessary to enable it to keep pace with the markets and its responsibilities to monitor, regulate, and enforce the securities laws, but also to see around the corner and anticipate issues.

There are, of course, many other important areas within the jurisdiction of the Commission: from money market funds to private fund advisers, from credit rating agencies to clearing agencies, from the appropriate standards and regulations governing the conduct of broker-dealers and investment advisers when providing investment advice to retail customers to how to make public issuer disclosures more meaningful and understandable to investors, to name just a few. If confirmed, I would focus on these and the many other challenges facing the SEC.

In conclusion, it would be my privilege and honor to work with the men and women of the Commission and this Committee to help carry out the SEC's mission. Thank you for considering me to serve in this capacity and for the opportunity to appear before you today. I would be happy to answer your questions.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: **White** (Last) **Mary Jo** (First) (Other)

Position to which nominated: Chair, U.S. Securities and Exchange Commission

Date of nomination:

Date of birth: December 27, 1947 (Day) (Month) (Year) **Place of birth:** Kansas City, Missouri

Marital Status: Married **Full name of spouse:** John Walter White

Name and ages of children: David Brian White, 27 (1/22/86)

Education:

Institution	Dates attended	Degrees received	Dates of degrees
McLean High School	9/62-6/66	Diploma	6/66
College of William & Mary	9/66-1/70	B.A.	6/70
New School for Social Research	9/70-6/71	M.A.	6/71
Columbia University School of Law	9/71-6/74	J.D.	6/74

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

See Attachment A (Awards)

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization Office held (if any) Dates

See Attachment B (Organizations)

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

See Attachment C (Employment)

Government Experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

See Attachment C for a description of my service as an Assistant United States Attorney, United States Attorney and federal law clerk. In addition, I was appointed in 2009 by the United States Department of Defense as one of three members of the Distinguished Visitor Detainee Review Program to review certain conditions of detainment in Guantanamo. I served in that capacity during 2009-2010.

I also served as a Clerk Typist, employed by the Bureau of Land Management, U.S. Department of Interior, Washington, D.C., during summer breaks and holidays prior to and during college, and by the U.S. Department of Health, Education and Welfare, Office of Public Health, in Charlottesville, Virginia from 2/70 to 5/70 (student loan processor).

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

See Attachment D (Published Writings)

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

I served on the Committee and was an honorary chair for Snyder for New York (Candidate for Manhattan District Attorney), and on the Committee for O'Donnell (Candidate for NY Attorney General).

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

9/6/05	$2,000	Snyder for New York (Candidate for Manhattan District Attorney)
6/16/09	$5,000	Snyder for New York (Candidate for Manhattan District Attorney)
9/9/09	$1,000	Snyder for New York (Candidate for Manhattan District Attorney)
10/24/05	$2,000	O'Donnell for New York (Candidate for NY Attorney General)
12/6/05	$1,000	O'Donnell for New York (Candidate for NY Attorney General)
2/1/06	$1,000	Friends of Charles Simon (Candidate for NY State Assembly)
3/9/06	$1,000	Whitehouse '06 (Candidate for U.S. Senate)

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

See Attachment E (Qualifications)

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

As described in my ethics agreement, which has been provided to the Committee, I will sever all such connections. Note that pursuant to the terms of the Debevoise & Plimpton, LLP Partners Retirement Program, I am eligible to receive monthly lifetime retirement payments from the firm commencing the month after my retirement. However, within 60 days of my appointment, the firm will make a lump sum payment, in lieu of making monthly retirement payments for the next four years.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

No.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

If confirmed, I will retire from Debevoise & Plimpton LLP. As described in my ethics agreement, which has been provided to the Committee, under the terms of the Debevoise & Plimpton, LLP Partners Retirement Program, I am eligible to receive monthly lifetime retirement payments from the firm commencing the month after my retirement. However, within 60 days of my appointment, the firm will make a lump sum payment, in lieu of making monthly retirement payments for the next four years.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the U.S. Securities and Exchange Commission's (SEC) designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the SEC's ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the U.S. Securities and Exchange Commission's (SEC) designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the SEC's ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the U.S. Securities and Exchange Commission's (SEC) designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the SEC's ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

As an employee of the United States government as an Assistant United States Attorney and United States Attorney in the Southern and Eastern Districts of New York, I have been named as a defendant in my official capacity in civil actions brought against the U.S. government, a number of which were brought by convicted defendants. To my knowledge, no such action is currently pending and no judgment was ever rendered against me.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None.

Confidential Financial Statement

Net Worth

Provide a complete, current financial net worth statement which itemizes in detail all assets (including bank accounts, real estate, securities, trusts, investments, and other financial holdings) all liabilities (including debts, mortgages, loans, and other financial obligations) of yourself, your spouse, and other immediate members of your household.

See Attachment F (Confidential Financial Statement)

SOURCES OF INCOME LAST 3 YEARS

1. List sources and amounts of all income received during the last 3 years, including all salaries, fees, dividends, interest, gifts, rents, royalties, patents, honoraria, and other items exceeding $500 or more. (if you prefer to do so, copies of U.S. income tax returns for these years may be substituted here, but their submission is not required.)

   See Attachment F (Confidential Financial Statement)

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers.

   As described in my ethics agreement, which has been provided to the Committee, under the terms of the Debevoise & Plimpton, LLP Partners Retirement Program, I am eligible to receive monthly lifetime retirement payments from the firm commencing the month after my retirement. However, within 60 days of my appointment, the firm will make a lump sum payment, in lieu of making monthly retirement payments for the next four years. Also, as described in my ethics agreement, within 60 days of my appointment, I will receive payouts of my interest in the Debevoise & Plimpton LLP Cash Balance Retirement plan and my capital account. See Attachment F (Confidential Financial Statement) for information on the amounts of these payments and payouts.

The undersigned certifies that the information contained herein is true and correct.

Signed: Mary Jo White Date: 2/12/13

ATTACHMENT A
Awards

1. National Honor Society (high school)

2. Dean's List (college)

3. Phi Beta Kappa (Alpha Chapter) (college)

4. Psi Chi (honorary society for psychology (college))

5. Woodrow Wilson Fellow, 1970

6. National Science Foundation Scholarship for 1970-71 at the New School for Social Research

7. Law Review and officer thereof (Columbia Law School), 1972-74

8. Jane Marks Murphy Prize (given to the female member of each graduating class of Columbia Law School believed to have the most professional promise), 1974

9. James Kent and Harlan Fiske Stone Scholars (academic excellence, law school), 1971-74

10. The "Human Relations Award" given by the Anti-Defamation League Lawyer's Division, 1996

11. The "Women of Power and Influence Award" given by the National Organization of Women, 1997

12. Rodney Ettman Award for Excellence in Law Enforcement, New York's Finest Foundation, 1997

13. The Edward Weinfeld Award for Distinguished Contributions to the Administration of Justice given by the New York County Lawyers' Association, 1998

14. The "Medal for Excellence" given by the Columbia University School of Law Association, 1998

15. The George W. Bush Award for Excellence in Counterterrorism, 2002

16. The Agency Seal Medallion given by the CIA, 2002

17. The Director of the FBI's Jefferson Cup Award for Contributions to the Rule of Law in the Fight Against Terrorism and Crime, 2002

18. The John P. O'Neill Pillar of Justice Award given by the Respect for Law Alliance, 2002

19. The "Prosecutor of the Year" Award given by the Respect for Law Alliance

20. The "Law Enforcement Person of the Year" Award given by the Society of Professional Investigators

21. The "Magnificent 7" Award given by the Business and Professional Women USA

22. The "American Prosecutor's Award" given by St. John's University Criminal Justice Program

23. Attorneys Who Matter, Top Gun Award

24. The Cressey Award for Excellence in Fraud Detection and Deterrence, Association of Certified Fraud Examiners, 2002

25. The Sandra Day O'Connor Award for Distinction in Public Service, January 15, 2002

26. Joint Terrorism Task Force Award, March 12, 2002

27. Kate Stoneman Award, Albany Law School, April 23, 2002

28. The "Most Influential Women in the Law Award" given by the Benjamin N. Cardozo School of Law, April 29, 2002

29. Honorary Degree, Hofstra University School of Law, May 19, 2002

30. Honorary Degree, Pace School of Law, May 19, 2002

31. Curtis Berger Award, The Bridge, Inc., March 28, 2003

32. Milton S. Gould Award for Outstanding Oral Advocacy, The Office of Appellate Defender, October 7, 2003

33. Law & Society Award, New York Lawyers for the Public Interest, March 6, 2004

34. Outstanding Women of the Bar Award, New York County Lawyers Association, December 14, 2004

35. The National Law Journal's The 100 Most Influential Lawyers in America, 2006.

36. The National Law Journal's The 50 Most Influential Women Lawyers in America, 2007

37. The "Community Leadership Award" given by the Federal Law Enforcement Foundation, March 6, 2007

38. The Margaret Brent Women Lawyers of Achievement Award, American Bar Association, August 11, 2008

39. Geroge A. Katz Torch of Learning Award from the American Friends of The Hebrew University, February 5, 2009

40. Urban Assembly School for Law and Justice Award, May 29, 2010

41. The "Ardy" Award, Retired Detectives Association of N.Y.P.D., September 8, 2010

42. Norman Ostrow Award, New York Council of Defense Lawyers, March 11, 2011

43. Ari Halberstam Memorial Award, May 19, 2011

44. 2011 William Nelson Cromwell Award, William Nelson Cromwell Foundation, December 13, 2011

45. 2012 Chambers USA Women in Law Award – Regulatory Lawyer of the Year, February 2012

46. Fund for Modern Courts Award, May 14, 2012

47. Chambers Global, Top Tier in "Litigation Trial Lawyers", The World's Leading Lawyers for Business, 2006

48. Chambers USA, "Star Individual" (above the top tier), New York White Collar Crime and Government Investigations, 2009-2012

49. Chambers Awards for Excellence 2007, Litigation: White Collar Crime & Government Investigations, 2007

ATTACHMENT B

Organizations

1. The NASDAQ Stock Market, Inc.
   Member of Board of Directors, Executive, Audit and Policy Committees
   2002-2006

2. American College of Trial Lawyers Fellow
   9/1993 to present

3. The International College of Trial Lawyers
   2003 to present

4. American Bar Foundation Fellow
   8/2005 to present

5. Council on Foreign Relations
   1/2003 to present

6. New York City Bar Association
   1977 (estimated) to present

7. New York State Bar Association
   1980's (estimated) to present

8. American Bar Association
   1980's (estimated) to present

9. Federal Bar Council
   Before 1/1992 to present

10. National Association of Criminal Defense Lawyers
    10/2006 to present

11. National Association of Former United States Attorneys
    6/2010 to present

12. Columbia Law School Board of Visitors
    Member 7/1996 to present

13. Supreme Court Historical Society
    1/2004 to present

14. Riot Relief Fund
    Trustee 3/2007 to present

15. IBA Task Force on Terrorism
    2/2009 to 7/15/2009

16. ABA Criminal Justice Standards Task Force on Monitors
    7/2012 to present

17. Citizens Crime Commission of New York City
    Lawyer's Council
    Member 7/2012 to present

18. Women's Forum Inc.
    1990's (estimated) to present

19. American Society for the Prevention of Cruelty to Animals
    Member, Board of Directors, September 22, 2009 – present
    Chair, Board of Directors, June 21, 2011 to June 17, 2012

20. Practising Law Institute - Annual Institute of Securities Regulation
    Member Advisory Board 2/2009 to present

21. Northwestern University School of Law - Securities Regulation Institute
    Advisory Board
    Member 2004 to present

22. The New School, Board of Governors
    Member 2003 –2005

23. National Center of Missing and Exploited Children, Honorary Advisory Board
    Member 2002 (estimated)

24. The Trinity School, Board of Trustees
    Member 2002-2004

25. St. Bernard's School, Board of Trustees
    Member 1994 (estimated)-2000

26. Leaders Council (an informal group of securities law and accounting professionals)
    Fall, 2008 to present

27. College of William & Mary, Board of Public Policy
    Advisor 1997 (estimated)

28. University Club
    Summer 1991

29. Delta Delta Delta Sorority
    1966-1970

30. Columbia Law School Association
    12/1996 to 2004

31. Nisi Prius (Lawyer Lunch Group)
    2/1999 to present

32. Consilium (Lawyer Lunch Group)
3/2004 to present

33. New York Law Journal Board of Editors
Member 2002 (estimated) to present

ATTACHMENT C

Employment (following college)

Employer	Position	Dates
U.S. Department of Health, Education and Welfare, Office of Public Health,Charlottesville, Va.	Clerk Typist (student loan processor)	2/70 – 5/70
The Research Foundation for Mental Hygiene, NYC	Research Assistant	During 1971
Casey, Lane & Mittendorf, NYC	Summer Associate	6/72 – 8/72
Debevoise & Plimpton LLP, NYC	Summer Associate	6/73 – 8/73
Paul, Weiss, Rifkind, Wharton & Garrison LLP, NYC	Summer Associate	6/74 – 8/74
Debevoise & Plimpton LLP, NYC	Associate	2/75 – 7/75
U.S. District Judge Marvin E. Frankel (SDNY), NYC	Law Clerk	7/75 – 8/76
Debevoise & Plimpton LLP, NYC	Associate	9/76 – 2/78
United States Attorney's Office, SDNY, U.S. Department of Justice, NYC	Assistant United States Attorney	2/78 – 6/81
Debevoise & Plimpton LLP, NYC	Associate and Partner (as of 1/83)	6/81 – 3/90
United States Attorney's Office, EDNY, U.S. Department of Justice, NYC	Chief Assistant United States Attorney and Interim U.S. Attorney (as of 12/92)	3/90 – 5/93
United States Attorney's Office, SDNY, U.S. Department of Justice, NYC	United States Attorney	6/93 – 1/02
Debevoise & Plimpton LLP, NYC	Partner, Chair of Litigation Department	4/02 – present

ATTACHMENT D

Published Writings

1. "Securities Investor Protection Act of 1970: An Early Assessment," 73 Colum. L. Rev. 802 (1973)

2. "The Impeachment Exception to the Constitutional Exclusionary Rules," 73 Colum. L. Rev. 1476 (1973)

3. "Glass Ceilings and Open Doors: A Response," 65 Fordham L. Rev. 619 (1997)

4. "Choice of Community Standards in Federal Obscenity Proceedings: The Rule of the Constitution and the Common Law," Waples & White, 64 Va. L. Rev. 399 (1978)

5. "Use of Civil RICO in Unfair Competition Cases," Practising Law Institute, 1984

6. "Prosecuting Terrorism in New York," *The Middle East Quarterly*, Spring 2001

7. "Corporate Criminal Liability: What Has Gone Wrong?", Practising Law Institute's 37th Annual Institute on Securities Regulation, Course Handbook, Volume Two, 2005

8. "There Are No Easy Answers to the al Qaeda Threat," USA Today Op-Ed, November 14, 2007

9. Defending Corporations and Individuals in Government Investigations, 2011 Edition by Daniel J. Fetterman and Mark P. Goodman, Foreward by Mary Jo White, West

10. Federal Ciminal Practice: A Second Circuit Handbook, 2012 by Gordon Mehler, John Gleeson, and David C. James, Foreward by Mary Jo White, LexisNexis

11. Business and Commercial Litigation in Federal Courts, Third Edition, Volume 10, Chapter entitled: "The Foreign Corrupt Practices Act," 2012, written with Frederick T. Davis, American Bar Association, Section of Litigation, West

ATTACHMENT E

Qualifications

I have been an active practicing lawyer in both the public and private sectors for over thirty-five years. Much of that experience has been in the enforcement of federal and state laws, including in the area of securities fraud and other violations of the federal and state securities laws. These experiences have given me a firm grounding in the enforcement and policy issues relating to the federal securities laws, and a clear understanding of and admiration for the critical role and work of the SEC.

Specifically, as a federal prosecutor (including as United States Attorney for the Southern District of New York from 1993-2002), I supervised the investigation and prosecution of matters involving, for example, insider trading, the Foreign Corrupt Practices Act, disclosure issues under the federal securities laws, improper trading, securities valuation issues and accounting fraud. Many of these matters had parallel investigations being conducted by the SEC and we worked closely with the SEC to coordinate our work, often bringing cases at the same time.

As a defense attorney, I have handled investigations and matters involving the same types of securities law issues, for both individuals and public companies, including financial institutions and broker-dealers. A number of these matters have involved the SEC. These cases also have involved other federal and state regulators, including the United States Department of Justice and State Attorneys General. Many of these matters required that we advise the client on related securities law issues arising from the investigations, including questions relating to accounting, disclosure, reserves, and dealings with outside auditors. These matters have given me an understanding of financial institutions and various financial products. In addition to my work as a practicing lawyer, from 2002 through February 8, 2006, I served as a Director on the Board of The Nasdaq Stock Market, Inc., owner of the NASDAQ stock exchange, and served on the Executive, Audit and Policy Committees of the Board. The knowledge I gained from my service on the NASDAQ Board has given me familiarity with certain of the operational and regulatory aspects of our markets.

I also have frequently been called upon to moderate and speak on professional panels involving enforcement, corporate governance and ethics issues relating to the securities laws, as well as the changes effected by the Sarbanes-Oxley and Dodd-Frank legislation. For example, for five years (from 2004 to 2008), I co-chaired the annual Practising Law Institute (PLI) Securities Regulation Institute held in New York, at which top practitioners and regulators make substantive presentations on numerous cutting-edge securities law issues to lawyers from all over the country. I currently serve on PLI's Advisory Committee for the Securities Regulation Institute. I have also, for a number of years, moderated the enforcement panel at the Annual Securities Regulation Institute, sponsored by the Northwestern Law School, and serve on its Advisory Committee. In addition, I have for a number of years participated on panels at industry securities law conferences, such as the annual SIFMA Legal and Compliance Seminar.

My prior management and leadership roles have provided experience that also should be valuable for the position. My responsibilities, especially as United States

Attorney for the S.D.N.Y., as well as in my role as Chair of the Litigation Department of Debevoise & Plimpton LLP, have called upon me to manage high-level professional organizations involved in investigating, prosecuting, litigating and defending a wide range of cases, many involving alleged violations of the federal securities laws. I try to lead by example, through deep engagement and hard work, and by motivating staff and professional colleagues to strive for excellence at all times and in a highly ethical manner in order to achieve the right and fair result.

Another important quality that I would bring to the position of SEC Chair, if confirmed, is my independence. I approach every task and decision, including those involving investigations and enforcement actions, with an open mind and pursue the objectives of my clients, public or private, with total commitment and in a fair and ethical manner. I am very careful to obtain maximum knowledge and input from a variety of sources and points of view before making decisions. As a government official, I believe I have an established track record and the reputation of being tough, but fair and completely independent of political or personal influences. If confirmed, I would bring that mindset and those qualities to the position of Chair of the SEC.

Client List*

Clients of Debevoise & Plimpton LLP during 2010 to 2012 where my work exceeded 3/4 of 1% of legal services rendered by me in one or more of those years:

Deutsche Telekom AG
Forest Laboratories, Inc.
General Electric Company
Michael F. Geoghegan
Rajat Gupta
HCA Inc.
J. Michael Kelly
Kenneth D. Lewis
Linklaters LLP
Microsoft Corporation
Officers of Moneygram International
Neutral Arbitrator for Arbitration involving Milberg Weiss LLP and certain former partners
JPMorgan Chase & Co.
Independent Directors of News Corporation
NFL Properties LLC
Poly Prep Country Day School
SAIC
Simpson, Thacher & Bartlett LLP
Syracuse University
Toyota Motor Corporation
Toyota Motor Sales USA, Inc.
UBS AG
Thomas Athan
U.S. Foods
Isai Scheinberg

*In addition, I represented two individuals where disclosure of the representation is the subject of attorney-client privilege and other confidentiality obligations that do not permit disclosure.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO FROM RICHARD CORDRAY

Q.1. For most of the rulemakings that the CFPB proposed since its inception, it claimed not to have sufficient data to conduct a thorough cost-benefit analysis. Is the CFPB spending enough money on its research and market analysis? If so, what else can the CFPB do to ensure that it has sufficient information to conduct a thorough cost-benefit analysis, as required by law?

A.1. As specifically required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the CFPB has conducted analyses of the benefits, costs, and particular impacts of its rulemakings with the information that has been reasonably available to the CFPB. These analyses have been thorough and generally have been published for public comment before being finalized so that interested parties could submit additional information to the CFPB to enhance the analyses. When members of the public have submitted additional information, the Bureau has considered that information on the record in finalizing its analysis.

The CFPB would prefer to have more data as opposed to less when analyzing regulatory impacts, but there are significant constraints on data availability. Where feasible and appropriate the CFPB has acquired data from third parties that have already collected and compiled the data. But often data are not available for acquisition, and undertaking a new data collection could impose costs on private parties. The CFPB determines on a case-by-case basis whether the potential costs of a collection are likely to be justified by the potential benefits. The CFPB also has to consider whether the data can be acquired or collected in time to meet statutory deadlines, which is an important constraint. Certain collections cannot even be commenced (let alone completed) until after a months-long process to obtain approval for the collection under the Paperwork Reduction Act. Nevertheless, the Bureau will continue to work to ensure that it has sufficient information to conduct the analyses required by law.

Q.2. CFPB's mortgage servicing rule amended RESPA to expanded mortgage servicers' obligations. Since RESPA has a private right of action, consumers will now have a Federal private right of action against a servicer for any alleged failure to engage in proper loss mitigation. Did the CFPB conduct an economic analysis regarding whether and if so, how much, this rule will increase the cost of mortgages by exposing banks to more lawsuits?

A.2. The Bureau considered the advantages and disadvantages of the private right of action associated with the loss mitigation procedures and with certain other amendments to Regulation X in preparing the final rule. In that regard, the Bureau has multiple authorities under RESPA, some of which are subject to private causes of action and some of which are not, and the Bureau carefully calibrated the RESPA servicing rule with this in mind. Accordingly, with respect to loss mitigation, private causes of action exist only for specified provisions of the final rule, generally involving violations of specified procedural requirements and timelines relating to loss mitigation. Broader requirements for servicers to maintain certain policies and procedures relating to loss mitigation are not pri-

vately enforceable. Thus, once the final rule is effective, servicers will be subject to a private right of action under RESPA for failure to comply with certain procedural requirements with respect to evaluations for loss mitigation options—for instance, failing to evaluate a complete loss mitigation application within the timelines specified by the rule. However, servicers will not be subject to a private right of action under RESPA for failure to comply with investor guidelines to achieve loss mitigation results. The Bureau was concerned that such an approach might cause investors to stop offering loss mitigation options altogether for fear of litigation and delays in foreclosure timelines. Requirements that servicers maintain reasonable policies and procedures to evaluate loss mitigation options pursuant to investor guidelines are subject to enforcement by the appropriate regulator.

Regulatory analyses generally assume that firms comply fully with a proposed rule and therefore incur costs associated with such compliance. Any other approach would require the Bureau to reduce the costs of compliance by a specified factor. In addition, assessing the potential costs of civil liability would require the Bureau to determine the probability that firms would under-comply with the loss mitigation provisions in questions and face resulting lawsuits, as well as the probability that firms would fully comply but nevertheless face nonmeritorious litigation. The analysis would involve further complexity given that compliance with the provisions of the final rule could also benefit firms by reducing other types of lawsuits asserting violations of existing legal requirements. For example, compliance with the general servicing policies, procedures, and requirements may reduce lawsuits asserting that servicers have failed to comply with applicable law with respect to sworn affidavits and notarized documents in connection with foreclosure proceedings. Similarly, compliance with the loss mitigation procedures may reduce lawsuits asserting claims based on a servicer conducting a foreclosure sale when a borrower has accepted an offer of a loss mitigation option and is performing pursuant to such option. Data that would permit the estimation of these various probabilities was not reasonably available to the Bureau. The Bureau intends to monitor the implementation of the servicing rules and to ensure that the rules achieve the intended consequences of guaranteeing borrowers an evaluation for a loss mitigation option where appropriate.

Q.3. Currently, the CFPB is collecting account-level data from payment card issuers. It is my understanding that the request covers millions of individuals' credit card accounts and that the information must be supplied to the CFPB on a monthly basis. The CFPB is requesting that the information be sent to the agency with personally identifying information about consumers. Please answer the following questions with regard to this collection of individual consumer transactions:

What is the purpose of this data collection?

A.3. The CFPB is not collecting any personally identifiable information about any consumers as part of its credit card data collection effort. The data we are collecting as part of our ongoing supervisory activities will help the CFPB to assess and examine compli-

ance with Federal consumer financial protection laws and risk to consumers in the credit card marketplace.

Q.4. How many accounts has the CFPB followed and how many is it currently following? Does it change the consumer accounts it maintains records for after a certain period of time or track certain account records continuously?

A.4. The CFPB is obtaining information from a number of credit card issuers on a monthly basis on those issuers' accounts. Information about the number of accounts on which the CFPB receives data is confidential supervisory information.

Q.5. Why is it necessary to demand all consumer account data instead of an anonymous representative sample?

A.5. The data are anonymous and cannot be used to identify any individual consumer. Identifying a sample that would be representative of an issuer's portfolio would be burdensome for the issuer, which would need to pull that sample each month and then go through further procedures and analyses to compare those accounts to its overall portfolio to assure that the sample was representative.

Q.6. What does the CFPB intend to do with it?

A.6. The CFPB uses the data to inform its supervisory processes and to monitor risks to consumers. These data help the CFPB to analyze and benchmark credit card issuers across our supervision work. The CFPB also uses the data to assess and examine compliance with Federal consumer financial protection laws.

Q.7. Has the agency set a time period for retaining this data, and will the individual consumer transaction information be purged from all Federal records after this retention period?

A.7. The data exclude personally identifiable information about individual consumers. There is no set time period for retention of the data.

Q.8. Does the CFPB share this information with any outside third parties? Are these outside third parties under contract with the CFPB? With whom does the CFPB intend to share it in the future?

A.8. The CFPB has retained a data services vendor that manages the data on the CFPB's behalf, and that vendor is under contract with the CFPB and is subject to all Federal data protection rules and requirements. The CFPB does not otherwise share this information with any nongovernmental outside third parties.

Q.9. Does the CFPB provide this data—in whole, part, or summary—to any other Federal agency or entity? If so, please describe how this data is requested and how it is shared.

A.9. The Bureau generally shares data with prudential regulators in accordance with the Supervisory Data Sharing Memorandum of Understanding between the CFPB and the prudential regulators. Any sharing of these loan-level data would comply with those agreements.

Q.10. How much does the agency spend annually on this data collection?

A.10. The Bureau spends approximately $3 million per year on this data collection.

Q.11. With respect to the Paperwork Reduction Act and other laws, OMB has set forth certain parameters for surveys and data collection. Please submit the OMB approval document for this data collection effort.

A.11. This data collection is not subject to PRA requirements.

Q.12. Do individuals and their families have the opportunity to opt out of this Federal agency data collection?

A.12. Individuals and families are not identified in this data collection, and individual consumers and their families are not participants in this data collection. Title X of the Dodd-Frank Act authorizes the Bureau to supervise certain consumer financial services companies to protect consumers. Some of the consumer financial services companies under CFPB supervision are the participants in this data collection, and they may not opt out of supervision activities.

Q.13. Do you anticipate that the CFPB will engage in rulemaking as a result of the data collection?

A.13. The CFPB uses the data to inform CFPB analysis of risks to consumers in the credit card marketplace and risks to the market. Analysis of the data may lead the CFPB to identify areas where appropriate regulations could improve the functioning of the market, and may support the CFPB's efforts to reduce outdated, unnecessary, or unduly burdensome regulations. Thus, this information may be used to inform future rulemaking activities as appropriate.

Q.14. I understand that this account-level data is comprehensive of each payment card issuer that furnishes data. How is the CFPB ensuring that the consumer information it collects is kept secure; to date, has the CFPB suffered any breaches of data, and has any data breach reached consumer information?

A.14. The data that the Bureau solicits and collects from issuers exclude personally identifiable information about the individual consumers to whom the data pertains. Accordingly, no breach of personally identifiable information by the CFPB is possible. For example, the names of individual consumers or their contact information, Social Security numbers, and credit card account numbers are not included in the data. Because the data is not personally identifiable, it also does not constitute a system of records that is subject to the requirements of the Privacy Act of 1974, 5 U.S.C. §552a. Nevertheless, all such data are subject to the protections given to information that the CFPB obtains through its supervisory authorities. [1] The data are managed according to IT security requirements that comply with Federal laws, policies, and procedures.

[1] These include protections set forth in the Act; the Bureau's confidentiality regulations at 12 CFR §1070.40 et seq.; Exemption 8 of the Freedom of Information Act, 5 U.S.C. §552(b)(8); and CFPB Bulletin 12-01, which is viewable online at *http://www.consumerfinance.gov/wp-content/uploads/2012/01/GC__bulletin__12-01.pdf.*

RESPONSES TO WRITTEN QUESTIONS OF SENATOR MENENDEZ FROM RICHARD CORDRAY

Q.1. I have long been focusing my attention on the inability of New Jerseyans and tens of millions of Americans to gain access to capital and begin to build their credit worthiness. At last month's Consumer Advisory Board meeting, you spent a good portion of your time discussing this challenge. In fact, you said, "There is an obvious demand for short-term credit products, which can be helpful for consumers who use them responsibly and which are structured to facilitate repayment. We want to make sure that consumers can get the credit they need without jeopardizing or undermining their finances. Debt traps should not be part of their financial futures." Based on your comments, and due to the fact that under Title 12 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the CFPB is mandated to consider resources and foster financial innovation, what initiatives do you think your agency should pursue to increase access to credit for the millions of Americans who are currently unable to receive emergency loans? I think it is important to strike a balance between extending credit to consumers, while also implementing important consumer protections. There is certainly a demand for these products, but the American people need better options and protections. Are there ways the CFPB could regulate this industry while still keeping a product that's "helpful for consumers who use them responsibly?"

A.1. While the CFPB is committed to understanding what, if any, risks of consumer harms are present in the small-dollar credit market and using available tools to mitigate those harms, we agree that it is important to balance the sometimes competing considerations of access and consumer protections in the provision of small dollar credit. In fact, the Dodd-Frank Act requires that when the CFPB considers rulemaking that we "consider the potential benefits and costs to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products or services" that may result.

The CFPB also recognizes the need to learn about the potential for innovation in financial products and services. We have formalized our efforts with an initiative called Project Catalyst, which was launched at an event in Silicon Valley last November. This event included a roundtable that specifically focused on innovations in small dollar lending. Following that launch, we have established ongoing outreach and formal structures in which we will both learn from innovators and facilitate testing of certain innovations in the marketplace. The findings from these activities may help further inform any future policymaking on small-dollar lending.

Q.2. The lack of access to capital largely affects minorities and chronically underserved communities. There is a study on this issue by the CFPB that I am waiting to be completed, and I look forward to reading once it is completed. As I have worked on payday lending legislation over the years, one question continuously comes up but is never answered is: if payday lending is further curtailed, what products will take their place in communities where people have not built strong credit backgrounds, but need short-

term credit? Is this something the CFPB is reviewing in its study? What are the Bureau's recommendations on this issue?

A.2. The CFPB recognizes that there is demand by consumers for credit that is available in small increments, including those consumers who may not qualify for products such as credit cards or signature loans. The CFPB is currently undertaking data-driven analysis to determine the patterns of use undertaken by consumers using payday loans offered by nonbanks and deposit advances offered by certain depository institutions, and the outcomes of differing patterns of use. We are particularly concerned with loans intended for short-term, occasional use being used in a sustained, long-term way, particularly by households that are not using these products to deal with a specific financial emergency, but are instead turning to payday loans because their expenses regularly outstrip their income.

As part of this analysis we are looking at a variety of models by which small-dollar credit is currently offered to otherwise credit-constrained households. This includes determining which product structures and features may curtail sustained use and negative outcomes, as well as the feasibility of implementation. Part of this analysis can include looking at the different methods States have employed to curtail sustained use of payday loan products, as well as the variety of safety features that depository institutions currently impose on deposit advances.

Q.3. The CFPB adopted new rules related to mortgage servicing standards in January 2013. I have long advocated for increasing consumer protections on borrowers before foreclosures, encouraging loan modifications, eliminating dual tracking, placing limits on foreclosure fees, and creating an appeals process for those denied loan modifications as well as a mediation program. Can you give an update on these rules and when we expect them to go into effect? Are lenders currently working to implement these standards now? What actions have mortgage servicers taken since the rules were issued in January 2013?

A.3. The Bureau's January 2013 servicing rules take effect on January 10, 2014. The rules address a number of the issues that you reference. For instance, they generally require servicers to make good-faith efforts to contact borrowers who are experiencing serious trouble with their loans and to provide information regarding foreclosure alternatives. Servicers generally are required to review applications for loan modifications or other loss mitigation options received by specified deadlines promptly for completeness, and to work with borrowers to obtain any missing information. For applications received by specified deadlines, the rules set certain deadlines for servicers to respond, require notification to borrowers of the results, and provide an opportunity to appeal denials. The final rule also prohibits a servicer from making the first notice or filing required for a foreclosure process until a mortgage loan account is more than 120 days delinquent, and if a borrower submits a complete application for a loss mitigation option before a servicer has made the first filing required for a foreclosure process, a servicer may not start the foreclosure process unless certain requirements are met. Finally, servicers are required to maintain policies and

procedures concerning various loss mitigation processes, including communications with both consumers and loan owners/investors of the loans and proper evaluation of applications according to the criteria established by owners/investors. We believe that the combined rules will help to reduce avoidable foreclosures and help to address concerns about "dual tracking."

Based on requests for guidance received from servicers, the Bureau is aware that servicers are already working on plans to implement the new requirements. The Bureau has a multifaceted regulatory implementation initiative underway to assist industry in implementing these and the other new mortgage rules that the Bureau issued to implement title XIV of the Dodd-Frank Act. The Bureau's initiative includes plans for several updates to the regulatory text and official interpretations over the coming year, the first of which will be issued this spring. It also includes publication of small business compliance guides (with companion video versions) for the new rules, updated examination procedures, and compliance "readiness" guides for the new rules. In addition, the Bureau will be working with other regulatory agencies, trade associations, industry service providers, and some individual lending and servicing organizations to track industry implementation efforts. Through this engagement, the Bureau expects to learn more about implementation challenges and provide support to help companies implement the new requirements more efficiently. Further, the Bureau issued a supervisory bulletin regarding mortgage servicing transfers on February 11, 2013 (CFPB Bulletin 2013-01). Among other things, that bulletin advises servicers about existing consumer protection requirements and provisions in the mortgage servicing rules that specifically relate to mortgage servicing transfers. Notably, the Bureau's new mortgage servicing rules are backed by supervision and enforcement authority that encompass both large banks and nonbanks that service mortgage loans.

Q.4. Consumers' use of prepaid cards has exploded in the past few years, especially among underbanked consumers. Since credit cards, debit cards, and gift cards have all been regulated to some degree, prepaid cards remain one of the few largely unregulated products out there. Some fees on these cards are undisclosed and others are unreasonable, and they don't always come with FDIC insurance or protection against theft or loss for the consumer. What progress has the CFPB made in analyzing this issue, and when do you anticipate moving forward on it?

A.4. The CFPB issued an Advance Notice of Proposed Rulemaking (ANPR) on General Purpose Reloadable (GPR) prepaid cards in May 2012. The ANPR reflects the Bureau's interest in learning more about this product, including its costs, benefits, and risks to consumers, and expressed the Bureau's intention to take regulatory action to extend the Regulation E protections to GPR cards. Our focus is on safety and transparency. Our ANPR generated approximately 250 comments, and we have combed through that feedback. We are currently in the process of using all the information we received to determine the scope of our rulemaking in this market. We do not yet have firm time frames for rulemaking in the GPR market, though activity will be under way later this year.

Q.5. The CFPB's Office of Minority and Women Inclusion (OMWI) is now up and running. The reason for creating these offices was that there just is not enough minority representation within our financial regulators. What will you do to increase the number of minorities and women, especially in management positions and as contractors, at the CFPB?

A.5. I agree that one of the primary roles of OMWI is to enhance diversity at the Bureau. As a newly formed agency, we've been able to build diversity into our work early on. While our employment of minorities and women at the Bureau exceeds the average for other FIRREA agencies, we believe we can further enhance diversity at the Bureau at all levels of the organization, including senior leadership positions. We have and will continue to do this by doing the following:

- Collaborating with the Office of Human Capital on building and continually enhancing a comprehensive workforce planning and development strategy that includes training and developmental opportunities, mentorship programs, rotations, lateral moves, and detail opportunities that enhance the skills and key competencies necessary for advancement and success at the CFPB.
- Conducting training for employees and supervisors in an effort to expand awareness, knowledge, and cultural competencies that aid in the understanding and management of a diverse workforce and its value to the CFPB mission.
- Collaborating with division heads to promote policies, practices and procedures to ensure that all employees, including women and minorities, are being developed to attain their maximum potential.
- Supporting the development of and facilitating a framework for a diversity council to report to management and discuss issues and concerns regarding diversity and inclusion.
- Increasing outreach to and recruitment/hiring of minority and women candidates by recruiting at minority-serving institutions and women's colleges and universities (e.g., Historically Black Colleges and Universities and Hispanic-Serving Institutions).
- Utilizing the networks of current employees to promote the mission of the Bureau and advertise upcoming positions.
- Participating in targeted internship programs, including the one operated by the Hispanic Association of Colleges and Universities.
- Conducting specific diversity and inclusion training for all personnel engaging in the hiring process.
- Evaluating and assessing the diversity of the candidate pool at various decision points and providing feedback to hiring authorities.
- Partnering with divisions to develop diversity initiatives associated with the work of the CFPB.

Q.6. What role does your OMWI play at the CFPB? Is it a part of the decision-making process when hiring employees and contrac-

tors? How often do you meet with Stuart Ishimaru (head of CFPB OMWI)? Does the CFPB's procurement office meet with the CFPB's OMWI?

A.6. The OMWI plays a central role in the operations of the Bureau. The Director of the OMWI participates in meetings of the Operations Advisory Committee and the Policy Committee, two of the primary governance mechanisms for the Bureau, addressing the full breadth of the Bureau's activities. The OMWI plays a consultative role in the hiring process, providing advice and counsel to hiring managers and the Office of Human Capital.

I meet regularly with Stuart Ishimaru and he has direct access to me whenever he needs to speak with me. In addition, Stuart meets weekly with the Chief Operations Officer of the Bureau. The OMWI is housed in the Operations Division, which also houses the Office of Human Capital and the Procurement Office, both key partners of the OMWI under Section 342 of the Dodd-Frank Act. This placement facilitates cooperation and collaboration between these offices. The Procurement Office and the OMWI meet regularly, and are currently planning a number of joint activities to support our work with minority and women-owned small businesses.

Q.7. Your OMWI has had a director for almost a year now, so can you provide a progress report? How many Hispanics, African Americans, women, and/or minorities are working at the CFPB? How about in mid-level to senior-level management positions?

A.7. Attached is a chart providing responses to the questions and data on employees at the higher pay bands at the Bureau as of February 23, 2013.

	Overall		Supervisors*		CN-60+**		Executives***	
Total	1131		187		454		46	
Women	545	48%	72	39%	208	46%	14	30%
African-American	182	16%	26	14%	44	10%	3	7%
Hispanic/Latino	54	5%	7	4%	15	3%	2	4%
Asian-American	98	9%	12	6%	32	7%	5	11%
Minority Total	372	33%	48	26%	101	22%	10	22%
Women/ Minority	698	62%	101	54%	257	57%	20	43%

* employees in a position description designated as supervisory

** regardless of supervisory status (equivalent to GS 14 and above)

*** CN-81+ (equivalent to Senior Executive Service)

Of the nine most senior positions (Director, Deputy Director, Chief of Staff, and six Associate Directors) at the Bureau in 2012,

three minorities served in three positions and three women served in four positions (the General Counsel was previously Chief of Staff). At the next highest level, roughly half of the Assistant Directors are minorities and/or women. Minorities and women are represented in all six Divisions of the Bureau, and together lead roughly half of the offices in the Divisions.

Q.8. You've said your OMWI will develop standards for equal employment opportunity and standards for the racial, ethnic, and gender diversity of the workforce and senior management of the agency. Can you provide an update on the creation of those standards? What are the standards and how were they formulated?

A.8. The OMWI is required under Section 342 of the Dodd-Frank Act to create these standards, and is in the process of doing so. Recently, the Bureau created a separate Office of Equal Employment Opportunity to carry out the counseling, investigative, and enforcement functions required by various civil rights laws. The OMWI is working with the EEO Office and with the Office of Human Capital to develop standards for equal employment opportunity and for racial, ethnic, and gender diversity.

The Bureau has established workforce planning processes and organizational structures allowing for more precise identification of position needs and successful performance attributes. We have identified and intend to utilize a variety of broad recruiting methods to capture a diverse pool of qualified candidates to be considered for employment at the Bureau.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR VITTER FROM RICHARD CORDRAY

Q.1. The CFPB can write rules and enforce against unfair, deceptive, and abusive acts or practices. The Federal Trade Commission (FTC) has spent decades documenting and defining "unfair" and "deceptive" through policy statements and guidance, so companies have an idea of what the standards mean. This is important because honest businesses want to treat their customers fairly and they build compliance programs based with these standards in mind to ensure they understand and abide by the rules of the road. "Abusive" is defined only in a cursory way by the Dodd-Frank Act, and the CFPB has not taken any steps to help companies understand what the standard means, and in particular, how it relates to unfairness and deception. In fact, the Bureau has said that abusive will be defined through enforcement action rather through regulation, guidance, or some other transparent means. Fifty-one State Attorneys General can also enforce against "abusive" making it all the more important the CFPB take steps to ensure the standard is consistently applied. For these reasons, Dodd-Frank contemplated the Bureau would need to undertake a rulemaking to establish a definition for abusive—and perhaps even for unfair and deceptive. Given the uncertainty created by this new term for the business community, and the likelihood that multiple interpretations will develop among the States, will you commit to initiating a transparent process to take public input and define "abusive" before the Bureau brings any kind or enforcement action using this authority?

A.1. In Section 1031(d) of the Dodd-Frank Act, Congress clearly and expressly limited the meaning of "abusive" acts or practices to those that:

1. materially interfere with the ability of a consumer to understand a term or condition of a consumer financial product or service; or
2. take unreasonable advantage of a consumer's:
   a. lack of understanding of the material risks, costs, or conditions of the product or service;
   b. inability to protect his or her interests in selecting or using a consumer financial product or service; or
   c. reasonable reliance on a covered person to act in the consumer's interests.

The Bureau will be vigilant in obeying the law enacted by Congress and in observing and adhering to the limits of its authority under this provision. Its application will depend on specific facts and circumstances. Note also that if the Bureau were to undertake a rulemaking to implement the abusive standard that would allow 51 State Attorneys General to enforce that rule against federally chartered depository institutions, which cannot be done under the statute itself.

Q.2. The Federal Trade Commission has a widely admired automated complaint database, but you decided to expend funds to create your own database rather than using the FTC's database architecture. Why did you make that decision and how much has it cost to create your own database?

A.2. The Dodd-Frank Act instructed the CFPB to "establish a unit whose functions shall include establishing a single, toll-free telephone number, a Web site, and a database or utilizing an existing database to facilitate the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products or services." In preparing to launch its Office of Consumer Response to serve these and other related functions, the CFPB researched and considered the complaint handling models, case management systems, and related databases of the prudential Federal regulators and the Federal Trade Commission.

Given the specific complaint-handling requirements laid out in the Dodd-Frank Act, the Bureau was required to adopt an individual-level complaint operating model that required a case management system that is not congruent with the FTC's "complaint database."[2] The Bureau's complaint-handling operational model and case management system allow it to collect, monitor, and respond to complaints for a wide range of consumer financial products and services, to "coordinate with the Federal Trade Commission or other Federal agencies to route complaints to such agencies," to collect responses from companies to complaints, to allow for consumer review of those responses through a secure Web portal, to conduct individual investigations of consumer complaints,

[2] According to FTC's Complaint Assistant, *www.ftccomplaintassistant.gov*, "The FTC enters all complaints it receives into Consumer Sentinel, a secure online database that is used by thousands of civil and criminal law enforcement authorities worldwide. The FTC does not resolve individual consumer complaints."

and to facilitate necessary record keeping in order to meet its Congressional reporting requirements. Nonetheless, for greater efficiency and sharing of information, the CFPB's case management system uses an application programming interface to feed consumer complaints directly into the FTC's complaint database (known as "Consumer Sentinel") also, which makes those complaints available to civil and criminal law enforcement authorities.

Creating a case management system that integrates the aforementioned functionality to support the Bureau's complaint-handling model consistent with the requirements of Dodd-Frank has cost approximately $8 million to date, including the database.

Q.3. The CFPB established a legal safe harbor for certain Qualified Mortgages that creates a strong economic incentive for lenders to write very conservative mortgages. At the same time, however, the CFPB has said it will use disparate impact analysis for Equal Credit Opportunity Act (ECOA) enforcement. I'm concerned that these two policies are inherently in conflict. If a lender follows your ability to repay rule by making a business decision only to make QMs could that lender be found to be in violation of ECOA?

A.3. The Dodd-Frank Act provides a presumption of compliance with its new ability-to-repay requirements for certain "qualified mortgages." In its recent rules to implement those provisions, the Bureau accorded safe harbor status to certain qualified mortgages and a rebuttable presumption of compliance for others, depending on the annual percentage rate of the loans at issue. In defining the boundaries of qualified mortgages and of the safe harbor, the Bureau recognized that conditions are fragile and investors remain concerned about managing risks in the wake of the financial crisis. At the same time, we did not intend to stigmatize loans that fall outside those boundaries or to signal that responsible lending can or should take place only within the safe harbor space. Quite the contrary, the preamble to the final rule makes clear that the Bureau expects over time to see a robust market develop outside the QM safe harbor and, indeed, outside of QM altogether.

We have received questions from a number of market participants about how decisions about what types of mortgages to offer under the ability to repay rule would be evaluated under ECOA and Regulation B. The Bureau recognizes that, depending on their business model, some creditors may primarily offer loans that are QMs, or non-QMs. The Bureau recognizes that business model decisions are affected by many legitimate considerations, including the ability to sell loans on the secondary market and appetite for repayment risk. We expect that business models will evolve over the next several years as creditors explore different options and as the mortgage markets shift in response to economic conditions and other regulatory initiatives. We are committed to engaging with stakeholders as they implement the new rules. We know creditors are working to make thoughtful decisions about their business models as the market environment evolves, and we are working as expeditiously as possible to develop and provide industry with consistent guidance on how we will approach supervision and enforcement under the QM rule and ECOA.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR JOHANNS FROM RICHARD CORDRAY

Q.1. To follow up on a question I asked in our hearing, you have often taken the position that the budget of the CFPB is exceptionally transparent, and that transparency extends to your budget simply because you post it online. While I disagree with your refusal to allow Congressional oversight of your budget through the appropriations process, I know that this refusal is absolute. In the name of transparency, however, I need a more clear answer as to whether you are willing to appear before the Appropriations Subcommittee on Financial Services and General Government to walk through your budget documents and answer questions about the spending habits of the Bureau? Although you appear before the House and Senate Financial Services and Banking Committees, respectively, the Financial Services and General Government Subcommittee has the specialization and expertise in these areas and your commitment to working with the subcommittee is vital.

A.1. Section 1017(a)(2)(C) of the Dodd-Frank Act provides that the Bureau's funds derived from the Federal Reserve System shall not be subject to review by the Committees on Appropriations, and Section 1017(c)(2) provides that funds obtained by or transferred to the Bureau Fund shall not be construed to be Government funds or appropriated monies. Unlike agencies over which the Appropriations Committee has jurisdiction, the Bureau is an independent bureau within the Federal Reserve System. Nevertheless, the Bureau was pleased to provide over 100 pages of budget information in our annual report to the Appropriations Committees in July of 2012, including copies of fund transfer correspondence with the Federal Reserve Board, information on major expenditures, spending by division/program area, contractual obligations, a description of our budget process, our budget justification, information on our civil penalty fund, and numerous other materials. We also released a draft Strategic Plan for public comment in 2012, which includes goals, outcomes, strategies, and performance measures that inform our performance-based budget process. We anticipate releasing the final Strategic Plan in the Spring, along with updated budget and performance documents. The Bureau's annual financial reports, quarterly spending updates, and budget justifications are also available on our Web site at *www.consumerfinance.gov/budget.* Director Cordray has met with members of the Appropriations Committees on numerous occasions and has discussed various aspects of the Bureau's budget and operations with them. In addition, the Director has welcomed opportunities to testify before committees and subcommittees of both the House and Senate on the Bureau's budget. In fact, the Bureau has now testified 31 times before Congress. The Bureau will be happy to meet with any Member of Congress to walk through its budget documents and answer questions.

Q.2. H.R. 4367, a bill on which I worked very hard here in the Senate, removed the Federal requirement for "on the machine" disclosures on ATM machines. This bill was signed into law nearly 3 months ago, yet a look at Regulation E (CFR 1005.16) still lists the "on the machine" requirement as something with which our community banks must comply. Why is it that the CFPB has not found

the time to update the regulation and remove a requirement that the Congress unanimously agreed was unnecessary and costly?

A.2. The Bureau agrees that changes in the law to eliminate unnecessary and costly requirements are a high priority and has been working hard on a rule to implement this statutory revision. In fact, we expect to issue the rule this month. Because the rule provides compliance burden relief, and because it merely implements the specific statutory revision, it is structured as a final rule that takes effect immediately on publication.

Q.3. Lenders and service providers in the mortgage lending arena have stressed to the bureau that they will need a significant amount of time to implement new combined RESPA and TILA mortgage disclosures. Does the bureau have an implementation time frame in mind? Do you think 18 months is reasonable to ensure the greatest possible success with implementation?

A.3. The Bureau has heard and appreciates concerns expressed by the mortgage and real estate settlement industries about the time needed to implement changes under the Bureau's proposal to integrate TILA and RESPA disclosures. While the Bureau understands this concern and intends to remain engaged with affected persons in continuing to develop a final rule, that final rule has not yet been completed for two reasons. First, the Bureau is working carefully to ensure that such a significant undertaking as the integration of TILA and RESPA disclosures is done right, including through additional qualitative and quantitative consumer testing, which takes time. Second, the Bureau also has heard industry's request that the integrated disclosures not be implemented too quickly, as creditors, mortgage servicers, and other affected persons work to comply with the many other regulatory changes under the Bureau's January 2013 final rules implementing numerous new statutory requirements established by title XIV of the Dodd-Frank Act. As a general matter, the Bureau intends to make an informed determination as to the amount of time industry needs to comply with the integrated disclosure requirements and to afford industry adequate time, but the Bureau thus far has refrained from prejudging the question of exactly how much time that means and for now, at least, considers it inappropriate to comment on whether 18 months is too short or too long. When the integrated disclosure rules are being finalized, and the Bureau knows exactly what they require and where the affected industries stand with respect to their implementation of the title XIV rules, the Bureau is confident that it will determine an appropriate implementation period in an informed manner.

Q.4. The Small Business Review panel process informed the bureau about how it can reduce or eliminate added costs to implement new combined RESPA and TILA mortgage disclosures. One Small Business Review panel recommendation was to maintain the current line numbering to reduce software programming costs and industry confusion. Why did the bureau ignore this recommendation in its proposed rule to combine RESPA and TILA mortgage disclosures?

A.4. One of the difficulties with the current HUD–1 that consumers receive at closing is that the line numbers for charges do not match

the Good Faith Estimate that consumers receive 3 days after application. In addition, the three- and four-digit line numbering system has proved difficult for consumers to understand. The Bureau is particularly mindful of the potential risk of information overload for consumers, given the amount of numbers and complexity involved in the credit transaction and the underlying real estate transaction. Consumer participants at the Bureau's testing appeared overwhelmed by the three- and four-digit line numbers on the prototypes that were designed similarly to the current RESPA settlement statement. They performed worse in terms of understanding the pertinent information with prototypes containing that system. The Bureau also tested prototypes with a two-digit line numbering system, which performed better with both consumer and industry participants at the Bureau's testing, with some industry participants at the Bureau's testing preferring it over the system of the current RESPA settlement statement.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR KIRK FROM RICHARD CORDRAY

Q.1. At Tuesday's hearing, you stated that the CFPB is applying the Government Performance and Results Act (GPRA) to show how the agency is justifying its spending. Please provide the most recent GPRA report. If no current GPRA report is available, then please provide any interim GPRA report.

A.1. The Bureau's first draft of its strategic plan under GPRA is publicly available on its Web site at *http://www.consumerfinance.gov/strategic-plan/*. We anticipate releasing a final version of the strategic plan this spring, along with updated budget and performance documents.

Q.2. The CFPB is required by Dodd-Frank to convene a Small Business Review Panel when issuing a rule that will significantly impact a large number of small entities. In your August 1, 2012, testimony before the House Committee on Small Business, you stated that "[s]mall business review panels are a valuable component of our rulemaking process." Yet, the Bureau did not convene a panel for the ability-to-pay rule because the rule was transferred to the Bureau from the Federal Reserve. Nonetheless, the Bureau did convene a small business review panel for the RESPA TILA mortgage disclosures, even though that rule was also transferred to the Bureau from the Federal Reserve. Can you provide clarity regarding the Bureau's approach to convening small business review panels? Please explain why the CFPB chose to convene a panel for the RESPA TILA rulemaking but not for the ability-to-pay rulemaking.

A.2. The CFPB conducts Small Business Review Panels in accordance with the requirements of the Regulatory Flexibility Act (RFA). The RFA, as amended, identifies the types of rules for which a Small Business Review Panel is required. Generally, the RFA applies only to rules for which a notice of proposed rulemaking is required by the Administrative Procedure Act, or "any other law." When developing a proposed rule subject to the RFA, the CFPB is required to convene a Small Business Review Panel prior to issuing

the proposal unless the CFPB certifies that the rule will not, if promulgated, have a significant impact on a substantial number of small entities. Accordingly, the CFPB is not required to convene Small Business Review Panels for proposed rules that are not subject to the RFA or for proposed rules that are subject to the RFA but that the Director certifies will not have a significant economic impact on a substantial number of small entities. The CFPB also is not required to convene a Small Business Review Panel where another agency, such as the Federal Reserve Board, issued a rule proposal which was later inherited and finalized by the CFPB, since the statutory timing of the Small Business Review Panel is supposed to occur prior to issuance of the original proposal. This was the case with respect to the ability-to-repay rulemaking.

The proposal to merge the TILA and RESPA mortgage disclosure requirements did not transfer to the CFPB from the Federal Reserve. The CFPB itself issued the proposal to merge the TILA and RESPA mortgage disclosure requirements pursuant to the requirements of the Dodd-Frank Act. The CFPB conducted a Small Business Review Panel before issuing this proposal.

Q.3. Under the Small Business Regulatory Enforcement Fairness Act (SBREFA), the CFPB is required to give small businesses a preview of new proposals and receive extensive feedback from small businesses before proposing a new rule, including the potential impact of any new rules on the cost of credit for small businesses. Yet, the CFPB published all three of its Small Business Review Panel reports simultaneously with the proposed rules. By comparison, the Occupational Safety and Health Administration issues such reports when the panel is done. Why did the CFPB decide to publish the reports at the same time as the proposed rules and not after the panels were completed? Are there benefits to publishing the report after the panel has convened and before the proposal is issued?

A.3. The statute requires that the Panel report be made public as part of the rulemaking record, but does not specify when the report should be released to the public. The CFPB released Panel reports with their corresponding proposed rules so that the public could consider them together. Publicly releasing the panel report with the Proposed Rule promotes transparency. As panel reports must be interpreted in the context of the corresponding proposed rule, releasing the Panel report before the proposed rule could cause unnecessary confusion.

Q.4. In your statement, you mention that the CFPB is looking to help older Americans get sound information and advice about their retirement finances. In addition, you gave an interview to Bloomberg in January stating the CFPB is exploring initiatives in the "rollover moment." What is the "rollover moment?" Is the CFPB relying solely on the statutory authority in Section 1013(g) of the Dodd-Frank Act establishing the Office of Financial Protection for Older Americans? Has the CFPB engaged any contractors and/or outside third parties to conduct research or analysis in the retirement savings area? Is the CFPB looking at retirement savings issues that target individuals other than seniors?

A.4. Some of the most important decisions that consumers make involve saving for retirement and making choices to improve their economic security later in life. Large numbers of Americans are expected to retire over the next decade, so some have referred to it as the "rollover moment." Section 1013(g) of the Dodd-Frank Act directed the CFPB's Office for Older Americans to undertake activities to enhance later-life economic security, including:

- Providing goals for financial literacy programs for older Americans focusing on long-term savings and later-life economic security—and self-protection against unfair, deceptive, or abusive practices;
- Researching best practices and effective strategies to educate older Americans on long-term savings as well as planning for retirement and long-term care;
- Assessing and reporting on problems facing older Americans due to misuse of certifications and designations of financial advisors—and providing Congress and the SEC with policy recommendations; and
- Coordinating consumer protection activities for older Americans with relevant Federal agencies and State regulators.

The CFPB has a contract with Ideas42 d/b/a Behavioral Ideas Lab to help the Bureau examine consumers' financial challenges in a range of financial decision-making areas, including the financial challenges that face older Americans. Saving for retirement before reaching retirement age and managing retirement savings accounts after retirement pose challenges to consumers and affect their later-life economic security.

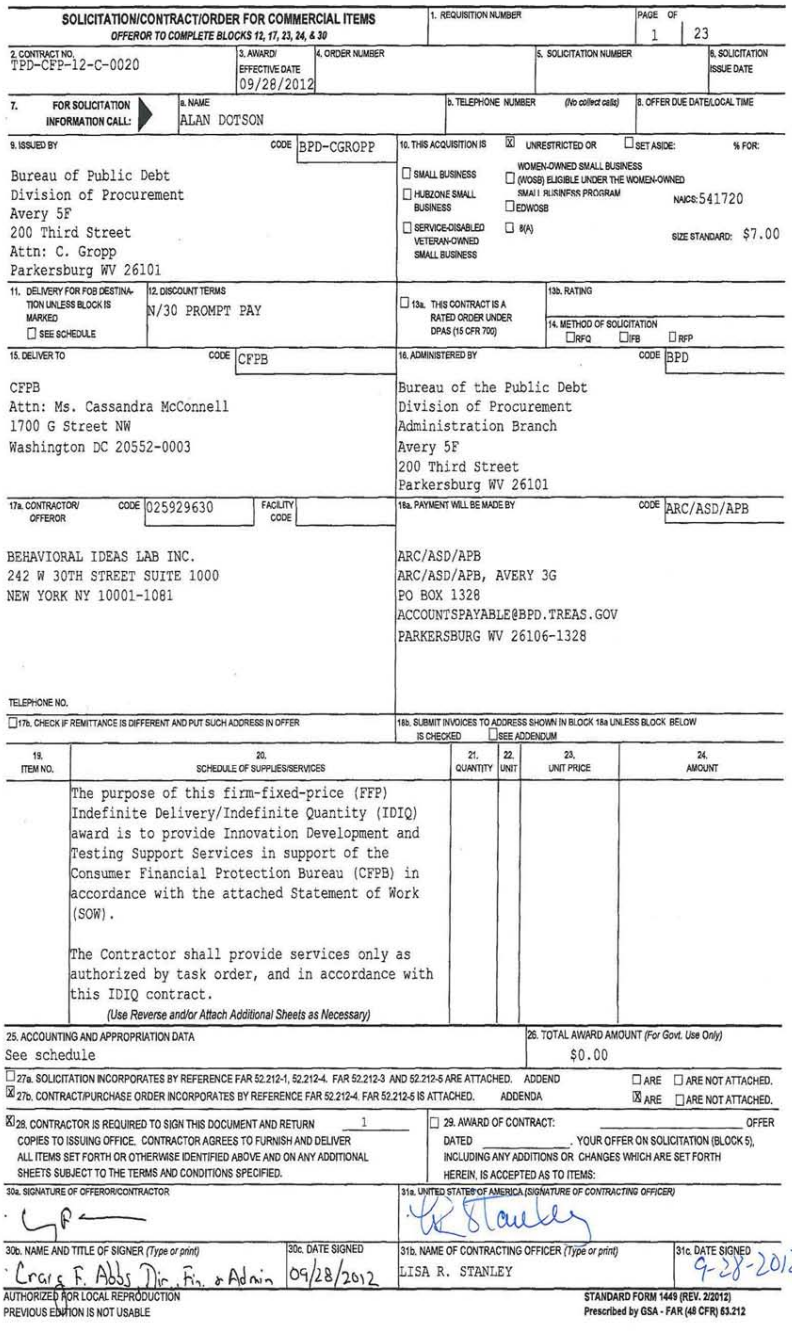
Q.5. Have you or any CFBP staff had conversations with officials and staff of the Departments of Treasury and Labor, the Internal Revenue Service, the Pension Benefit Guaranty Corporation, and the Securities and Exchange Commission regarding retirement savings issues? Has any agency request been made with respect to Section 1027 of the Dodd-Frank Act?

A.5. The Bureau has had conversations with officials and staff of other departments and agencies about retirement savings issues. The Bureau is not aware of any formal request having been made pursuant to Section 1027 of the Dodd-Frank Act.

Q.6. Has the CFPB entered into a contract with Ideas42 to look into the behavior science of auto enrollment and auto escalation features of 401(k) plans? Is this contract looking at seniors' retirement savings decisions or other individuals' retirement savings decisions? Was this contract put out for public bid? Please provide a copy of the contract and a copy of the justification if the contract was done as a sole source contract.

A.6. The CFPB has a contract with Ideas42 d/b/a as Behavioral Ideas Lab to help the Bureau examine consumers' financial challenges in a range of financial decision-making areas, including the financial challenges that face older Americans. The contract was properly competed for public bid and was not a sole source agreement. A copy of the contract is attached as Attachment A.

Attachment A



SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30

1. REQUISITION NUMBER	PAGE OF
	1 23

2. CONTRACT NO.	3. AWARD/ EFFECTIVE DATE	4. ORDER NUMBER	5. SOLICITATION NUMBER	6. SOLICITATION ISSUE DATE
TPD-CFP-12-C-0020	09/28/2012			

7. FOR SOLICITATION INFORMATION CALL: a. NAME: ALAN DOTSON | b. TELEPHONE NUMBER (No collect calls) | 8. OFFER DUE DATE/LOCAL TIME

9. ISSUED BY — CODE: BPD-CGROPP

Bureau of Public Debt
Division of Procurement
Avery 5F
200 Third Street
Attn: C. Gropp
Parkersburg WV 26101

10. THIS ACQUISITION IS ☒ UNRESTRICTED OR ☐ SET ASIDE: % FOR:
☐ SMALL BUSINESS
☐ HUBZONE SMALL BUSINESS
☐ SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS
☐ WOMEN-OWNED SMALL BUSINESS (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM
☐ EDWOSB
☐ 8(A)
NAICS: 541720
SIZE STANDARD: $7.00

11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED ☐ SEE SCHEDULE	12. DISCOUNT TERMS	13a. ☐ THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)	13b. RATING / 14. METHOD OF SOLICITATION ☐RFQ ☐IFB ☐RFP
	N/30 PROMPT PAY		

15. DELIVER TO — CODE: CFPB

CFPB
Attn: Ms. Cassandra McConnell
1700 G Street NW
Washington DC 20552-0003

16. ADMINISTERED BY — CODE: BPD

Bureau of the Public Debt
Division of Procurement
Administration Branch
Avery 5F
200 Third Street
Parkersburg WV 26101

17a. CONTRACTOR/ OFFEROR — CODE: 025929630 — FACILITY CODE:

BEHAVIORAL IDEAS LAB INC.
242 W 30TH STREET SUITE 1000
NEW YORK NY 10001-1081

TELEPHONE NO.

☐ 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER

18a. PAYMENT WILL BE MADE BY — CODE: ARC/ASD/APB

ARC/ASD/APB
ARC/ASD/APB, AVERY 3G
PO BOX 1328
ACCOUNTSPAYABLE@BPD.TREAS.GOV
PARKERSBURG WV 26106-1328

18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED ☐ SEE ADDENDUM

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	The purpose of this firm-fixed-price (FFP) Indefinite Delivery/Indefinite Quantity (IDIQ) award is to provide Innovation Development and Testing Support Services in support of the Consumer Financial Protection Bureau (CFPB) in accordance with the attached Statement of Work (SOW). The Contractor shall provide services only as authorized by task order, and in accordance with this IDIQ contract. *(Use Reverse and/or Attach Additional Sheets as Necessary)*				

25. ACCOUNTING AND APPROPRIATION DATA: See schedule

26. TOTAL AWARD AMOUNT *(For Govt. Use Only)*: $0.00

☐ 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDEND ☐ ARE ☐ ARE NOT ATTACHED.
☒ 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA ☒ ARE ☐ ARE NOT ATTACHED.

☒ 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 1 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED.

☐ 29. AWARD OF CONTRACT: _____ OFFER DATED _____. YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:

30a. SIGNATURE OF OFFEROR/CONTRACTOR	31a. UNITED STATES OF AMERICA *(SIGNATURE OF CONTRACTING OFFICER)*

30b. NAME AND TITLE OF SIGNER *(Type or print)*	30c. DATE SIGNED	31b. NAME OF CONTRACTING OFFICER *(Type or print)*	31c. DATE SIGNED
Craig F. Abbs Dir., Fin. & Admin	09/28/2012	LISA R. STANLEY	9-28-2012

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION IS NOT USABLE

STANDARD FORM 1449 (REV. 2/2012)
Prescribed by GSA - FAR (48 CFR) 53.212

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	Vendor POC: Mr. Will Tucker Telephone: [redacted] E-mail: [redacted] Government POC/COR: Ms. Cassandra McConnell Telephone: 202-435-7593 E-mail: cassandra.mcconnell@cfpb.gov Terms, Conditions and Clauses are attached hereto and hereby incorporated. Invoice Terms: Invoices are to be submitted monthly on a task order basis. Invoices will be paid monthly in arrears on a task order basis. Any questions related to this contract after award will be handled by the Contract Administration Branch at contractadministration@bpd.treas.gov. When sending an e-mail to this address, please include the contract number and, if applicable, the task order number in the subject line. The overall minimum for this contract is: $1,667,063.00 The minimum is guaranteed The overall maximum for this contract is: $5,000,000.00 Continued ...				

32a. QUANTITY IN COLUMN 21 HAS BEEN

☐ RECEIVED ☐ INSPECTED ☐ ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE		32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE 32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER ☐ PARTIAL ☐ FINAL	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT ☐ COMPLETE ☐ PARTIAL ☐ FINAL	37. CHECK NUMBER
38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY		

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT		42a. RECEIVED BY *(Print)*	
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	41c. DATE	42b. RECEIVED AT *(Location)*	
		42c. DATE REC'D *(YY/MM/DD)*	42d. TOTAL CONTAINERS

STANDARD FORM 1449 (REV. 2/2012) BACK

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGE	OF
	TPD-CFP-12-C-0020	3	23

NAME OF OFFEROR OR CONTRACTOR

BEHAVIORAL IDEAS LAB INC.

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	The minimum amount for an order against this contract is: $1,000.00 The maximum amount for an order against this contract is: $5,000,000.00 Period of Performance: 09/28/2012 to 09/27/2016				
0001	Base Period - Innovation Development and Testing Support Services Labor Category/Rate - Academic Advisor (SVP)/[redacted] Vice President/[redacted] Senior Associate/[redacted] Analyst/[redacted] Research Assistant II/[redacted] Research Assistant I/[redacted] Award Type: Indefinite-quantity Min. Qty: N/A| Max. Quantity: N/A Min. Amt: $1,667,063.00| Max. Amount: $2,750,000.00 Minimum Guaranteed: Y Period of Performance: 09/28/2012 to 09/27/2013				2,750,000.00
0002	Option Period 1 - Innovation Development and Testing Support Services Labor Category/Rate - Academic Advisor (SVP)/[redacted] Vice President/[redacted] Senior Associate/[redacted] Analyst/[redacted] Research Assistant II/[redacted] Research Assistant I/[redacted] Award Type: Indefinite-quantity Min. Qty: N/A| Max. Quantity: N/A Min. Amt: N/A| Max. Amount: $750,000.00 Minimum Guaranteed: N Amount: $750,000.00(Option Line Item) Period of Performance: 09/28/2013 to 09/27/2014				0.00
0003	Option Period 2 - Innovation Development and Testing Support Services Continued ...				0.00

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGE	OF
	TPD-CFP-12-C-0020	4	23

NAME OF OFFEROR OR CONTRACTOR

BEHAVIORAL IDEAS LAB INC.

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Labor Category/Rate - Academic Advisor (SVP)/$[redacted] Vice President/$[redacted] Senior Associate/$[redacted] Analyst/$[redacted] Research Assistant II/$[redacted] Research Assistant I/[redacted] Award Type: Indefinite-quantity Min. Qty: N/A| Max. Quantity: N/A Min. Amt: N/A| Max. Amount: $750,000.00 Minimum Guaranteed: N Amount: $750,000.00(Option Line Item) Period of Performance: 09/28/2014 to 09/27/2015				
0004	Option Period 3 - Innovation Development and Testing Support Services Labor Category/Rate - Academic Advisor (SVP)/[redacted] Vice President/[redacted] Senior Associate/[redacted] Analyst/[redacted] Research Assistant II/[redacted] Research Assistant I/[redacted] Award Type: Indefinite-quantity Min. Qty: N/A| Max. Quantity: N/A Min. Amt: N/A| Max. Amount: $750,000.00 Minimum Guaranteed: N Amount: $750,000.00(Option Line Item) Period of Performance: 09/28/2015 to 09/27/2016 The total amount of award: $5,000,000.00. The obligation for this award is shown in box 26.				0.00

TERMS, CONDITIONS AND CLAUSES

SECTION 508 COMPLIANCE

All electronic and information technology (EIT) procured through this contract must meet the applicable accessibility standards at 36 CFR 1194, unless an agency exception to this requirement exists. (36 CFR 1194 implements Section 508 of the Rehabilitation Act of 1973, as amended.

In accordance with the above, in addition to the work requirements specified in the Statement of Work, the contractor must ensure that all EIT that they provide either: (1) meets the technical provisions of the Section 508 Access Board Standards applicable to a given procurement (see below); or (2) uses designs or technologies as alternatives to those prescribed in the specified technical provisions, provided they result in substantially equivalent or greater access to and use of a product for people with disabilities.

The following standards have been determined to be applicable to this contract:

_____ 1194.21 Software applications and operating systems.
_____ 1194.22 Web-based intranet and internet information and applications.
_____ 1194.23 Telecommunications products.
_____ 1194.24 Video and multimedia products.
_____ 1194.25 Self-contained, closed products.
_____ 1194.26 Desktop and portable computers.
_____ 1194.31 Functional Performance Criteria
X____ 1194.41 Information, Documentation and Support

The standards do not require the installation of specific accessibility-related software or the attachment of an assistive technology device, but merely require that the EIT be compatible with such software and devices so that it can be made accessible if so required by the agency in the future."

The contractor shall submit a completed Voluntary Product Accessibility Template (VPAT) for each EIT product and service provided. By completing the VPAT the contractor represents that the products and services provided comply with the Electronic and Information Technology Accessibility Standards at 36 CFR 1194, unless stated otherwise within the VPAT form. The contractor shall indicate, for each line item, whether each product or service is compliant or noncompliant with the accessibility standards at 36 CFR 1194.

PUBLIC-RELEASE CONTRACT VERSION REQUIREMENT

The contractor agrees to submit, within ten business (10) days from the date the contract is awarded (exclusive of Saturdays, Sundays, and federal holidays), a text-based .pdf file of the fully executed contract with all proposed necessary redactions, including redactions of any trade secrets or any commercial or financial information that it believes to be privileged or confidential business information, for the purpose of public disclosure at the sole discretion of the Consumer Financial Protection Bureau (CFPB). The contractor agrees to provide a detailed written statement specifying the basis for each of its proposed redactions, including the applicable exemption under the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and, in the case of FOIA Exemption 4, 5 U.S.C. § 552(b)(4), shall demonstrate why the information is considered to be a trade secret or commercial or financial information that is privileged or confidential. Information provided by the contractor in response to this contract requirement may itself be subject to disclosure under the FOIA. The CFPB will carefully consider the entire contractor's proposed redactions and associated grounds for nondisclosure prior to making a final determination as to what information in the fully executed contract may be properly withheld. In the event that the CFPB disagrees with the contractor's suggested redactions, the CFPB will provide the contractor with notice prior to posting the contract.

SOFTWARE FEDERAL DESKTOP CORE CONFIGURATION (FDCC)

All software which is designed to run on Windows Vista or XP desktops must function without modification to the Federal Desktop Core Configuration (FDCC) security configurations developed by the National Institute of Standards and Technology (NIST), the Department of Defense (DoD) and the Department of Homeland Security (DHS). Software and hardware products that are designed to operate in environments other than the FDCC desktop must

have a standard configuration guide published on the NIST website, or the vendor must supply a recommended configuration guide for all configurable security settings.

52.212-4 CONTRACT TERMS AND CONDITIONS -- COMMERCIAL ITEMS (FEB 2012)

(a) *Inspection/Acceptance.* The Contractor shall only tender for acceptance those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. If repair/replacement or reperformance will not correct the defects or is not possible, the Government may seek an equitable price reduction or adequate consideration for acceptance of nonconforming supplies or services. The Government must exercise its post-acceptance rights—

(1) Within a reasonable time after the defect was discovered or should have been discovered; and

(2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(b) *Assignment.* The Contractor or its assignee may assign its rights to receive payment due as a result of performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency in accordance with the Assignment of Claims Act (31 U.S.C. 3727). However, when a third party makes payment (*e.g.*, use of the Governmentwide commercial purchase card), the Contractor may not assign its rights to receive payment under this contract.

(c) *Changes.* Changes in the terms and conditions of this contract may be made only by written agreement of the parties.

(d) *Disputes.* This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). Failure of the parties to this contract to reach agreement on any request for equitable adjustment, claim, appeal or action arising under or relating to this contract shall be a dispute to be resolved in accordance with the clause at FAR 52.233-1, Disputes, which is incorporated herein by reference. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any dispute arising under the contract.

(e) *Definitions.* The clause at FAR 52.202-1, Definitions, is incorporated herein by reference.

(f) *Excusable delays.* The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence such as, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(g) *Invoice.* The Contractor shall submit an original invoice and three copies (or electronic invoice, if authorized,) to the address designated in the contract to receive invoices. An invoice must include--

(i) Name and address of the Contractor;

(ii) Invoice date and number;

(iii) Contract number, contract line item number and, if applicable, the order number;

(iv) Description, quantity, unit of measure, unit price and extended price of the items delivered;

(v) Shipping number and date of shipment, including the bill of lading number and weight of shipment if shipped on Government bill of lading;

(vi) Terms of any discount for prompt payment offered;

(vii) Name and address of official to whom payment is to be sent;

(viii) Name, title, and phone number of person to be notified in event of defective invoice; and

(ix) Taxpayer Identification Number (TIN). The Contractor shall include its TIN only if required elsewhere in this contract.

(x) Electronic funds transfer (EFT) banking information.

(A) The Contractor shall include EFT banking information only if required elsewhere in this contract.

(B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision, contract clause (e.g., 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration, or 52. 232-34, Payment by Electronic Funds Transfer--Other than Central Contractor Registration), or applicable agency procedures.

(C) EFT banking information is not required if the Government waived the requirement to pay by EFT.

(2) Invoices will be handled in accordance with the Prompt Payment Act (31 U.S.C. 3903) and Office of Management and Budget (OMB) prompt payment regulations at 5 CFR 1315.

(h) *Patent indemnity.* The Contractor shall indemnify the Government and its officers, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of, or inducement to infringe,

any United States or foreign patent, trademark or copyright, arising out of the performance of this contract, provided the Contractor is reasonably notified of such claims and proceedings.

(i) *Payment.* (1) *Items accepted.* Payment shall be made for items accepted by the Government that have been delivered to the delivery destinations set forth in this contract.

(2) *Prompt payment.* The Government will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and Office of Management and Budget (OMB) prompt pay regulations at 5 CFR 1315.

(3) *Electronic Funds Transfer (EFT).* If the Government makes payment by EFT, see 52.212-5(b) for the appropriate EFT clause.

(4) *Discount.* In connection with any discount offered for early payment, time shall be computed from the date of the invoice. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the specified payment date if an electronic funds transfer payment is made.

(5) *Overpayments*. If the Contractor becomes aware of a duplicate contract financing or invoice payment or that the Government has otherwise overpaid on a contract financing or invoice payment, the Contractor shall—

(i) Remit the overpayment amount to the payment office cited in the contract along with a description of the overpayment including the—

(A) Circumstances of the overpayment (*e.g.*, duplicate payment, erroneous payment, liquidation errors, date(s) of overpayment);

(B) Affected contract number and delivery order number, if applicable;

(C) Affected contract line item or subline item, if applicable; and

(D) Contractor point of contact.

(ii) Provide a copy of the remittance and supporting documentation to the Contracting Officer.

(6) *Interest.*

(i) All amounts that become payable by the Contractor to the Government under this contract shall bear simple interest from the date due until paid unless paid within 30 days of becoming due. The interest rate shall be the interest rate established by the Secretary of the Treasury as provided in Section 611 of the Contract Disputes Act of 1978 (Public Law 95-563), which is applicable to the period in which the amount becomes due, as provided in (i)(6)(v) of this clause, and then at the rate applicable for each six-month period as fixed by the Secretary until the amount is paid.

(ii) The Government may issue a demand for payment to the Contractor upon finding a debt is due under the contract.

(iii) *Final decisions.* The Contracting Officer will issue a final decision as required by 33.211 if—

(A) The Contracting Officer and the Contractor are unable to reach agreement on the existence or amount of a debt within 30 days;

(B) The Contractor fails to liquidate a debt previously demanded by the Contracting Officer within the timeline specified in the demand for payment unless the amounts were not repaid because the Contractor has requested an installment payment agreement; or

(C) The Contractor requests a deferment of collection on a debt previously demanded by the Contracting Officer (see 32.607-2).

(iv) If a demand for payment was previously issued for the debt, the demand for payment included in the final decision shall identify the same due date as the original demand for payment.

(v) Amounts shall be due at the earliest of the following dates:

(A) The date fixed under this contract.

(B) The date of the first written demand for payment, including any demand for payment resulting from a default termination.

(vi) The interest charge shall be computed for the actual number of calendar days involved beginning on the due date and ending on—

(A) The date on which the designated office receives payment from the Contractor;

(B) The date of issuance of a Government check to the Contractor from which an amount otherwise payable has been withheld as a credit against the contract debt; or

(C) The date on which an amount withheld and applied to the contract debt would otherwise have become payable to the Contractor.

(vii) The interest charge made under this clause may be reduced under the procedures prescribed in 32.608-2 of the Federal Acquisition Regulation in effect on the date of this contract.

(j) *Risk of loss*. Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with the Contractor until, and shall pass to the Government upon:

(1) Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or

(2) Delivery of the supplies to the Government at the destination specified in the contract, if transportation is f.o.b. destination.

(k) *Taxes.* The contract price includes all applicable Federal, State, and local taxes and duties.

(l) *Termination for the Government's convenience.* The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Contractor can demonstrate to the satisfaction of the Government using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

(m) *Termination for cause.* The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(n) *Title.* Unless specified elsewhere in this contract, title to items furnished under this contract shall pass to the Government upon acceptance, regardless of when or where the Government takes physical possession.

(o) *Warranty.* The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(p) *Limitation of liability.* Except as otherwise provided by an express warranty, the Contractor will not be liable to the Government for consequential damages resulting from any defect or deficiencies in accepted items.

(q) *Other compliances.* The Contractor shall comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to its performance under this contract.

(r) *Compliance with laws unique to Government contracts.* The Contractor agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. 3701, *et seq.*, Contract Work Hours and Safety Standards Act; 41 U.S.C. 51-58, Anti-Kickback Act of 1986; 41 U.S.C. 265 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. 423 relating to procurement integrity.

(s) *Order of precedence.* Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order:

(1) The schedule of supplies/services.
(2) The Assignments, Disputes, Payments, Invoice, Other Compliances, and Compliance with Laws Unique to Government Contracts paragraphs of this clause.
(3) The clause at 52.212-5.
(4) Addenda to this solicitation or contract, including any license agreements for computer software.
(5) Solicitation provisions if this is a solicitation.
(6) Other paragraphs of this clause.
(7) The Standard Form 1449.
(8) Other documents, exhibits, and attachments.
(9) The specification.

(t) Central Contractor Registration (CCR).

(1) Unless exempted by an addendum to this contract, the Contractor is responsible during performance and through final payment of any contract for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(2)(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in FAR Subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to (A) change the name in the CCR database; (B) comply with the requirements of Subpart 42.12; and (C) agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor must provide with the notification sufficient documentation to support the legally changed name.

(ii) If the Contractor fails to comply with the requirements of paragraph (t)(2)(i) of this clause, or fails to perform the agreement at paragraph (t)(2)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the CCR information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(3) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the CCR record to reflect an assignee for the purpose of assignment of claims (see Subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the CCR database. Information provided to the Contractor's CCR record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(4) Offerors and Contractors may obtain information on registration and annual confirmation requirements via CCR accessed through *https://www.acquisition.gov* or by calling 1-888-227-2423 or 269-961-5757.

ADDENDUM TO 52.212-4, CONTRACT TERMS AND CONDITIONS -- COMMERCIAL ITEMS (FEB 2012)

ELECTRONIC INVOICING AND PAYMENT REQUIREMENTS

Internet Payment Platform (IPP) is a secure web-based electronic invoicing and payment information service available to all Federal agencies and their supplier by the U.S. Treasury's Financial Management Service. IPP allows Federal agencies and their suppliers to exchange electronic purchase orders, blanket POs, invoices, and payment information in one easy to access web portal. This service is free of charge to government agencies and their suppliers, including services and support.

The preferred method for invoicing is through IPP. The IPP website address is https://www.ipp.gov. Contractor assistance with enrollment can be obtained by contacting the Bureau of the Public Debt's IPP Team at 304-480-8000, Option 7 or IPP Production Help desk via email ippgroup@bos.frb.org or phone (866) 973-3131.

If the Contractor is unable to utilize IPP for submitting payment requests, invoices may be submitted electronically to the e-mail address shown in Block 18a, page 1 after completing the IPP Waiver Form and submitting it via e-mail to contractadministration@bpd.treas.gov (see IPP Waiver Attachment). Adobe Acrobat Portable Document Format (PDF) and Microsoft Word are acceptable formats. Invoices shall contain the information required in FAR 52.212-4(g).

Under this contract, the following documents are required to be submitted as an attachment to the invoice:

None applicable.

PAYMENT AND INVOICE QUESTIONS

For payment and invoice questions, go to https://www.ipp.gov or contact the Accounting Services Division at (304) 480-8000 option 7 or via email at AccountsPayable@bpd.treas.gov.

OVERPAYMENTS

In accordance with 52.212-4 section (i) 5 Overpayments: Accounts Receivable Conversion of Check Payments to EFT: If the Contractor sends the Government a check to remedy duplicate contract financing or an overpayment by the government, it will be converted into an electronic funds transfer (EFT). This means the Government will copy the check and use the account information on it to electronically debit the Contractor's account for the amount of the check. The debit from the Contractor's account will usually occur within 24 hours and will be shown on the regular account statement.

The Contractor will not receive the original check back. The Government shall destroy the Contractor's original check, but will keep a copy of it. If the EFT cannot be processed for technical reasons, the Contractor authorizes the Government to process the copy in place of the original check.

MARKING OF SHIPMENTS:

The Contractor shall ensure the contract number and task/delivery order number is clearly visible on all shipping/service documents, containers, and invoices.

PLACE OF PERFORMANCE

The place of performance is at the contractor's facility.

1052.201-70 CONTRACTING OFFICER'S REPRESENTATIVE (COR) APPOINTMENT AND AUTHORITY (JUN 2012)

(a) The COR is identified in the SF 1449, block 20.

(b) Performance of work under this contract is subject to the technical direction of the COR identified above, or a representative designated in writing. The term "technical direction" includes, without limitation, direction to the contractor that directs or redirects the labor effort, shifts the work between work areas or locations, and/or fills in details and otherwise serves to ensure that tasks outlined in the work statement are accomplished satisfactorily.

(c) Technical direction must be within the scope of the contract specification(s)/work statement. The COR does not have authority to issue technical direction that:

(1) Constitutes a change of assignment or additional work outside the contract specification(s)/work statement;

(2) Constitutes a change as defined in the clause entitled "Changes";

(3) In any manner causes an increase or decrease in the contract price, or the time required for contract performance;

(4) Changes any of the terms, conditions, or specification(s)/work statement of the contract;

(5) Interferes with the contractor's right to perform under the terms and conditions of the contract; or

(6) Directs, supervises or otherwise controls the actions of the contractor's employees.

(d) Technical direction may be oral or in writing. The COR must confirm oral direction in writing within five workdays, with a copy to the Contracting Officer.

(e) The Contractor shall proceed promptly with performance resulting from the technical direction issued by the COR. If, in the opinion of the contractor, any direction of the COR or the designated representative falls within the limitations of (c) above, the contractor shall immediately notify the Contracting Officer no later than the beginning of the next Government work day.

(f) Failure of the Contractor and the Contracting Officer to agree that technical direction is within the scope of the contract shall be subject to the terms of the clause entitled "Disputes."

1052.210-70 CONTRACTOR PUBLICITY (AUG 2011)

The Contractor, or any entity or representative acting on behalf of the Contractor, shall not refer to the equipment or services furnished pursuant to the provisions of this contract in any news release or commercial advertising, or in connection with any news release or commercial advertising, without first obtaining explicit written consent to do so from the Contracting Officer. Should any reference to such equipment or services appear in any news release or commercial advertising issued by or on behalf of the Contractor without the required consent, the Government shall consider institution of all remedies available under applicable law, including 31 U.S.C. 333, and this contract. Further, any violation of this provision may be considered during the evaluation of past performance in future competitively negotiated acquisitions.

52.216-18 ORDERING (OCT 1995)

(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule. Such orders may be issued from the IDIQ contract date of award through the IDIQ expiration date.

(b) All delivery orders and task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c) If mailed, a delivery order or task order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule.

52.216-19 ORDER LIMITATIONS (OCT 1995)

(a) *Minimum order*. When the Government requires supplies or services covered by this contract in an amount of less than $1000.00, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.

(b) *Maximum order*. The Contractor is not obligated to honor—

(1) Any order for a single item in excess of $5,000,000.00;

(2) Any order for a combination of items in excess of $5,000,000.00; or

(3) A series of orders from the same ordering office within 15 business days that together call for quantities exceeding the limitation in paragraph (b)(1) or (2) of this section.

(c) If this is a requirements contract (*i.e.*, includes the Requirements clause at subsection 52.216-21 of the Federal Acquisition Regulation (FAR)), the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) of this section.

(d) Notwithstanding paragraphs (b) and (c) of this section, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within three (3) business days after issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

52.216-22 INDEFINITE QUANTITY (OCT 1995)

(a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies and services specified in the Schedule are estimates only and are not purchased by this contract.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designated in the Schedule as the "maximum." The Government shall order at least the quantity of supplies or services designated in the Schedule as the "minimum."

(c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; *provided*, that the Contractor shall not be required to make any deliveries under this contract after the latest expiration date of any issued task order.

52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within 30 calendar days before the contract expiration date.

52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within the final 30 calendar days of each contract period; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 30 calendar days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed four (4) years.

CONTRACT TERM

The IDIQ contract will be for a 12-month base period and three (3) 12-month option periods. Each Task Order will specify the applicable period of performance.

CONTRACT MINIMUM AND MAXIMUM

(a) The minimum amount the Government is obligated to order during the term of the contract is $1,667,063.00.
(b) The maximum amount of the contract is $5,000,000.00.

PAST PERFORMANCE EVALUATION

This contract is subject to a performance evaluation via The Contractor Performance Reporting System (CPARS) at www.cpars.csd.disa.mil. Following the end of each contract period and at contract completion, a completed Government evaluation shall be forwarded to the Contractor. The Contractor may submit written comments, if any, within the time period specified in the evaluation transmittal. The Contractor's comments shall be considered in the issuance of the final evaluation document. Any disagreement between the parties regarding the evaluation shall be forwarded to the Bureau Chief Procurement Officer (BCPO). The final evaluation of the Contractor's performance is the decision of the BCPO. A copy of the final performance evaluation report will be sent to the Contractor and to the Government's past performance database at www.ppirs.gov.

52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS – COMMERCIAL ITEMS (AUG 2012)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

(1) 52.222-50, Combating Trafficking in Persons (Feb 2009) (22 U.S.C. 7104(g)).

__Alternate I (Aug 2007) of 52.222-50 (22 U.S.C. 7104(g)).

(2) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(3) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78)

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

_X_ (1) 52.203-6, Restrictions on Subcontractor Sales to the Government (Sept 2006), with Alternate I (Oct 1995) (41 U.S.C. 253g and 10 U.S.C. 2402).

__ (2) 52.203-13, Contractor Code of Business Ethics and Conduct (Apr 2010) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)).

__ (3) 52.203-15, Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (June 2010) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)

_X_ (4) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (AUG 2012) (Pub. L. 109-282) (31 U.S.C. 6101 note).

__ (5) 52.204-11, American Recovery and Reinvestment Act—Reporting Requirements (Jul 2010) (Pub. L. 111-5).

_X_ (6) 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment. (Dec 2010) (31 U.S.C. 6101 note).

_X_ (7) 52.209-9, Updates of Publicly Available Information Regarding Responsibility Matters (FEB 2012) (41 U.S.C. 2313).

__ (8) 52.209-10, Prohibition on Contracting with Inverted Domestic Corporations (MAY 2012) (section 738 of Division C of Pub. L. 112-74, section 740 of Division C of Pub. L. 111-117, section 743 of Division D of Pub. L. 111-8, and section 745 of Division D of Pub. L. 110-161).

__ (9) 52.219-3, Notice of HUBZone Set-Aside or Sole-Source Award (NOV 2011) (15 U.S.C. 657a).

__ (10) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JAN 2011) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).

__ (11) [Reserved]
__ (12)(i) 52.219-6, Notice of Total Small Business Set-Aside (NOV 2011) (15 U.S.C. 644).
__ (ii) Alternate I (NOV 2011).
__ (iii) Alternate II (NOV 2011).
__ (13)(i) 52.219-7, Notice of Partial Small Business Set-Aside (June 2003) (15 U.S.C. 644).
__ (ii) Alternate I (Oct 1995) of 52.219-7.
__ (iii) Alternate II (Mar 2004) of 52.219-7.
_X_ (14) 52.219-8, Utilization of Small Business Concerns (Jan 2011) (15 U.S.C. 637(d)(2) and (3)).
_X_ (15)(i) 52.219-9, Small Business Subcontracting Plan (Jan 2011) (15 U.S.C. 637(d)(4)).
__ (ii) Alternate I (Oct 2001) of 52.219-9.
_X_ (iii) Alternate II (Oct 2001) of 52.219-9.
__ (iv) Alternate III (Jul 2010) of 52.219-9.
__ (16) 52.219-13, Notice of Set-Aside of Orders (NOV 2011)(15 U.S.C. 644(r)).
__ (17) 52.219-14, Limitations on Subcontracting (NOV 2011) (15 U.S.C. 637(a)(14)).
_X_ (18) 52.219-16, Liquidated Damages—Subcontracting Plan (JAN 1999) (15 U.S.C. 637(d)(4)(F)(i)).
__ (19)(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (OCT 2008) (10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).
__ (ii) Alternate I (JUNE 2003) of 52.219-23.
__ (20) 52.219-25, Small Disadvantaged Business Participation Program—Disadvantaged Status and Reporting
(DEC 2010) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
__ (21) 52.219-26, Small Disadvantaged Business Participation Program— Incentive Subcontracting (OCT 2000) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
__ (22) 52.219-27, Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (NOV 2011) (15 U.S.C. 657(f).
__ (23) 52.219-28, Post Award Small Business Program Rerepresentation (APR 2012) (15 U.S.C. 632(a)(2)).
__ (24) 52.219-29, Notice of Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (APR 2012) (15 U.S.C. 637(m)).
__ (25) 52.219-30, Notice of Set-Aside for Women-Owned Small Business (WOSB) Concerns Eligible Under the WOSB Program (APR 2012) (15 U.S.C. 637(m)).
_X_ (26) 52.222-3, Convict Labor (JUNE 2003) (E.O. 11755).
_X_ (27) 52.222-19, Child Labor—Cooperation with Authorities and Remedies (MAR 2012) (E.O. 13126).
_X_ (28) 52.222-21, Prohibition of Segregated Facilities (FEB 1999).
_X_ (29) 52.222-26, Equal Opportunity (MAR 2007) (E.O. 11246).
_X_ (30) 52.222-35, Equal Opportunity for Veterans (SEP 2010)(38 U.S.C. 4212).
_X_ (31) 52.222-36, Affirmative Action for Workers with Disabilities (OCT 2010) (29 U.S.C. 793).
_X_ (32) 52.222-37, Employment Reports on Veterans (SEP 2010) (38 U.S.C. 4212).
_X_ (33) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (DEC 2010) (E.O.13496).
__ (34) 52.222-54, Employment Eligibility Verification (JUL 2012). (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in 22.1803.)
__ (35)(i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA–Designated Items (MAY 2008) (42 U.S.C. 6962(c)(3)(A)(ii)). (Not applicable to the acquisition of commercially available off-the-shelf items.)
__ (ii) Alternate I (MAY 2008) of 52.223-9 (42 U.S.C. 6962(i)(2)(C)). (Not applicable to the acquisition of commercially available off-the-shelf items.)
__ (36) 52.223-15, Energy Efficiency in Energy-Consuming Products (DEC 2007) (42 U.S.C. 8259b).
__ (37)(i) 52.223-16, IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products (DEC 2007) (E.O. 13423).
__ (ii) Alternate I (DEC 2007) of 52.223-16.
_X_ (38) 52.223-18, Encouraging Contractor Policies to Ban Text Messaging While Driving (AUG 2011) (E.O. 13513).
__ (39) 52.225-1, Buy American Act—Supplies (FEB 2009) (41 U.S.C. 10a-10d).
__ (40)(i) 52.225-3, Buy American Act—Free Trade Agreements—Israeli Trade Act (MAY 2012) (41 U.S.C.chapter 83, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note, 19 U.S.C. 3805 note, 19 U.S.C. 4001 note, Pub. L. 103-182, 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, 110-138, 112-41, and 112-42).
__ (ii) Alternate I (MAR 2012) of 52.225-3.
__ (iii) Alternate II (MAR 2012) of 52.225-3.
__ (iv) Alternate III (MAR 2012) of 52.225-3.
__ (41) 52.225-5, 52.225-5, Trade Agreements (MAY 2012) (19 U.S.C. 2501, *et seq.*, 19 U.S.C. 3301 note).

_X_ (42) 52.225-13, Restrictions on Certain Foreign Purchases (JUNE 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

__ (43) 52.226-4, Notice of Disaster or Emergency Area Set-Aside (NOV 2007) (42 U.S.C. 5150).

__ (44) 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area (NOV 2007) (42 U.S.C. 5150).

__ (45) 52.232-29, Terms for Financing of Purchases of Commercial Items (FEB 2002) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

__ (46) 52.232-30, Installment Payments for Commercial Items (OCT 1995) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

_X_ (47) 52.232-33, Payment by Electronic Funds Transfer—Central Contractor Registration (OCT 2003) (31 U.S.C. 3332).

__ (48) 52.232-34, Payment by Electronic Funds Transfer—Other than Central Contractor Registration (MAY 1999) (31 U.S.C. 3332).

__ (49) 52.232-36, Payment by Third Party (FEB 2010) (31 U.S.C. 3332).

__ (50) 52.239-1, Privacy or Security Safeguards (AUG 1996) (5 U.S.C. 552a).

__ (51)(i) 52.247-64, Preference for Privately Owned

__ (ii) Alternate I (Apr 2003) of 52.247-64.

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

__ (1) 52.222-41, Service Contract Act of 1965, (Nov 2007) (41 U.S.C. 351, *et seq.*).

__ (2) 52.222-42, Statement of Equivalent Rates for Federal Hires (May 1989) (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

__ (3) 52.222-43, Fair Labor Standards Act and Service Contract Act—Price Adjustment (Multiple Year and Option Contracts) (Sep 2009) (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

__ (4) 52.222-44, Fair Labor Standards Act and Service Contract Act—Price Adjustment (Sep 2009) (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

__ (5) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Requirements (Nov 2007) (41 U.S.C. 351, *et seq.*).

__ (6) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services—Requirements (Feb 2009) (41 U.S.C. 351, *et seq.*).

__ (7) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (Mar 2009) (Pub. L. 110-247).

__ (8) 52.237-11, Accepting and Dispensing of $1 Coin (Sept 2008) (31 U.S.C. 5112(p)(1)).

(d) *Comptroller General Examination of Record*. The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records—Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e)(1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in paragraphs (e)(1)(i) through (xi) of this paragraph in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—

((i) 52.203-13, Contractor Code of Business Ethics and Conduct (Apr 2010) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)).

(ii) 52.219-8, Utilization of Small Business Concerns (Dec 2010) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds $650,000 ($1.5 million for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(iii) [Reserved]

(iv) 52.222-26, Equal Opportunity (Mar 2007) (E.O. 11246).

(v) 52.222-35, Equal Opportunity for Veterans (Sep 2010) (38 U.S.C. 4212).

(vi) 52.222-36, Affirmative Action for Workers with Disabilities (Oct 2010) (29 U.S.C. 793).

(vii) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496). Flow down required in accordance with paragraph (f) of FAR clause 52.222-40.

(viii) 52.222-41, Service Contract Act of 1965 (Nov 2007) (41 U.S.C. 351, *et seq.*).

(ix) 52.222-50, Combating Trafficking in Persons (Feb 2009) (22 U.S.C. 7104(g)).

___Alternate I (Aug 2007) of 52.222-50 (22 U.S.C. 7104(g)).

(x) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (Nov 2007) (41 U.S.C. 351, *et seq.*).

(xi) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services-Requirements (Feb 2009) (41 U.S.C. 351, *et seq.*).

(xii) 52.222-54, Employment Eligibility Verification (JUL 2012).

(xiii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (Mar 2009) (Pub. L. 110-247). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.

(xiv) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx. 1241(b) and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.

(2)While not required, the contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

CONTRACT DOCUMENTS, EXHIBITS, AND ATTACHMENTS

DOCUMENT/EXHIBIT/ ATTACHMENT TITLE
Attachment 1 – Non-Disclosure Agreement
Attachment 2 – Subcontracting Plan
IPP Waiver Form

DEPARTMENT OF THE TREASURY
CONSUMER FINANCIAL PROTECTION BUREAU

INDEFINITE-DELIVERY INDEFINITE-QUANTITY (IDIQ) STATEMENT OF WORK (SOW)

INNOVATION DEVELOPMENT AND TESTING SUPPORT SERVICES

1.0 BACKGROUND

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) ("the Dodd-Frank Act" or "the Act") established the Consumer Financial Protection Bureau (CFPB) to regulate the offering and provision of consumer products or services under federal consumer financial laws. The Act also established the Office of Financial Education (OFE) within the CFPB, which is responsible for developing and implementing initiatives intended to educate and empower consumers to make better-informed financial decisions.

The CFPB also has established the Office of Financial Empowerment to ensure that consumers are provided with timely and understandable information to make responsible decisions about financial transactions, and to facilitate access and innovation in markets for consumer financial products and services.

In meeting its statutory mandates, the CFPB seeks to develop innovative approaches to helping consumers make better-informed decisions. A wide range of financial education and empowerment practices are currently in use by the organizations and institutions that are involved in financial education, asset building, and related services; and most of these provide significant benefit to consumers. However, many American consumers are still struggling to manage their financial lives and make good financial decisions. According to the 2009 Financial Capability Study conducted by the Financial Industry Regulatory Authority (FINRA) Investor Education Foundation:

- "Nearly half of survey respondents reported facing difficulties in covering monthly expenses and paying bills.
- The majority of Americans do not have "rainy day" funds set aside for unanticipated financial emergencies and similarly do not plan for predictable life events, such as their children's college education or their own retirement.
- More than one in five Americans reported engaging in non-bank, alternative borrowing methods (such as payday loans, advances on tax refunds or pawn shops). And few appear to be knowledgeable about the financial products they own.
- While many American adults believed they were adept at dealing with day-to-day financial matters, they nevertheless engaged in financial behaviors that generated expenses and fees and exhibited a marked inability to do basic interest calculations and other math-oriented tasks.
- In addition, few compared the terms of financial products or shopped around before making financial decisions."

Innovative approaches to financial education and financial empowerment are needed to help consumers face these challenges. Evidence from the field of behavioral economics indicates that information alone is not always sufficient in leading to good financial decisions. According to a June 2011 Government Accountability Office (GAO) report on financial literacy, "insights from behavioral economics, which blends economics with psychology, have been used to design strategies apart from education to assist consumers in reaching goals without compromising their ability to choose approaches or products." The GAO report discusses such effective practices as changing the default option, using commitment mechanisms, simplifying decisions, and leveraging the impact of peer support and influence in leading to desirable consumer financial outcomes. Using such behaviorally-informed innovations has the potential to lead to more effective financial education and empowerment efforts.

2.0 OBJECTIVES

In order to assist the CFPB in meeting its mandate to promote effective financial education practices, the CFPB will engage in an innovations pilot project ("this Project" or "the Project") to develop behaviorally-informed and rigorously-evaluated approaches to overcoming financial management and decision making challenges to share with the financial education and empowerment fields.

This Project will focus on developing and testing innovative approaches to discrete consumer decision-making and behavior challenges. This Project will:

- Increase knowledge of innovative approaches to improve financial education, which will strengthen financial education content and strategy both within the CFPB and with external stakeholders who serve consumers; and,
- Inform policy at the CFPB via insights into how consumers respond to product features and other aspects of the decision-making context.
- Lead to better financial decisions and outcomes for consumers.

3.0 SCOPE

The scope of this IDIQ contract includes the four (4) primary task areas detailed below. All actual tasks and details associated with the tasks will be directed by individual Task Orders.

- Task Area 1 -- Design and development of behaviorally-informed intervention(s)
- Task Area 2 -- Testing of intervention prototype(s)
- Task Area 3 -- Implementation of large-scale pilot(s)
- Task Area 4 -- Evaluation of pilot(s) and documentation of the findings

Task Area 1 -- Design and Development of Behaviorally-Informed Intervention(s)

- Using a CFPB-provided list of discrete consumer financial decision-making challenges, the Contractor shall conduct a scan to determine if there are additional decision-making challenges that should be added to the list. This scan shall include a review of the financial capability literature and consultation with experts in the financial education and behavioral economics fields.
- Based on the CFPB-provided list and the results of the scan, the Contractor shall present a list of decision-making challenges to be considered to the CFPB. The CFPB will select a set of these challenges for further work.
- For each of the decision-making problems selected by the CFPB, the Contractor shall design specific behaviorally-informed interventions that could be tested. The behavior principle being used shall be one in which has been documented in the behavioral economics academic literature. Some of the challenges provided by the CFPB will include preliminary ideas of interventions to be considered; others will require the Contractor to develop the interventions or conduct a scan to identify existing interventions. These interventions could be targeted at community-based financial education programs, financial institutions or other product developers, or other entities that could play a role in helping consumers make better decisions.
- The Contractor shall develop, and propose for CFPB approval, detailed implementation plans of how these interventions would work and how they could be tested. The CFPB will then select interventions to move on to the prototype phase.

Task Area 2 -- Test of Intervention Prototype(s)

A prototype has been defined in the computer software development field as a "rudimentary working model of a product or information system, usually built for demonstration purposes or as part of the development process." Applying this concept to the area of financial education or consumer decision-making programs, a prototype can be used to try out different versions and/or elements of an approach to determine what works in practice and leads to positive outcomes. Prototyping assumes that the intervention will be done at small scale and will be modified in real time in response to early results. The ultimate result is an intervention model that can then be tested via a pilot in which the program elements will be held constant and the overall results will be rigorously evaluated. The CFPB requires that a prototyping approach to be used in the Project.

Based on the CFPB's selection(s) of intervention(s) to move to the testing phase, the Contractor shall prototype the interventions using the following components:

- The Contractor shall propose for CFPB's approval, partnerships with the entities needed to test the selected interventions, as appropriate. The Contractor shall prepare due diligence summaries on each proposed partner, as directed by the CFPB.
- The Contractor shall implement the prototype(s) or monitor the implementation of the prototype(s) if implemented by partners. Using the prototyping approach referenced above, the Contractor shall modify elements and the delivery of the intervention as appropriate to determine the most effective approach.
- Each prototype shall serve an estimated minimum of one hundred (100) consumers. The actual number to be specified at the task order level.

- The Contractor shall develop, and propose for CFPB approval, an evaluation plan that includes both a process and outcome evaluation component for each intervention. The plan shall include the expected outcomes for the prototype(s), including how these outcomes will be measured. The outcomes shall include consumer-level outcomes (e.g., increased consumer savings, debt reduction, etc.), and outcomes related to other aspects of the particular prototype (e.g., changes in procedures at financial institutions or community-based groups involved in the prototypes).
- Where directed, the Contractor shall assist and provide any necessary information to the CFPB for purposes of CFPB's preparation of any required Paperwork Reduction Act clearance package(s) to the Office of Management and Budget (OMB).
- The Contractor shall produce a final report synthesizing research findings and providing recommendations on which prototype(s) should move on to the full pilot stage.

Task Area 3 – Implementation of Large-Scale Pilot(s)

- Based on the CFPB's selection of prototypes to move to the pilot phase, the Contractor shall develop draft implementation plans for each pilot intervention for the CFPB's approval. It is expected that the pilot(s) shall serve an estimated minimum of 400 consumers. The actual number to be specified at the task order level. Larger numbers in each pilot are considered desirable and may be necessary, depending on the specific prototype to be piloted.
- The Contractor shall develop partnerships with the entities needed to implement the selected interventions.
- The Contractor shall implement the pilot(s), and/or monitor the implementation of the pilot(s) if undertaken with partners.

Task Area 4 -- Evaluation of Pilot(s) and Documentation of the Findings

- The Contractor shall develop, and propose for CFPB approval, a draft evaluation plan for the each selected pilot. The Contractor's approach shall ensure that the pilot(s) will be rigorously evaluated via a randomized control trial (RCT) approach in which utilizes a minimum sample size (experimental group plus control group).
- The evaluation plan shall include the expected outcomes for the prototype(s), including how these outcomes will be measured. The outcomes shall include consumer-level outcomes (e.g., increased consumer savings, debt reduction, reduced spending on financial services etc.), and outcomes related to other aspects of the particular prototype (e.g., changes in procedures at financial institutions or community-based groups involved in the prototypes). In addition, the evaluation plan shall include a draft data collection tool for the CFPB's approval.
- The Contractor shall conduct the evaluation(s) of the pilot(s), including collecting or monitoring the collection of data from the pilot participants.
- Where directed, the Contractor shall assist and provide any necessary information to the CFPB for purposes of CFPB's preparation of any required Paperwork Reduction Act clearance package(s) to the Office of Management and Budget (OMB).
- The Contractor shall produce a final report synthesizing research findings from the pilot evaluation(s) and recommendations on how the intervention(s) could be implemented at a broader scale.
- Note that CFPB shall have unlimited rights in the data and may, in its sole discretion, disseminate such information to financial education practitioners, researchers, policymakers, and relevant federal agencies. All final products shall show the source as CFPB, and CFPB shall have full control over the test of all materials disseminated or otherwise publicly released which are associated with its name or this Project.

4.0 SECTION 508 REQUIREMENTS

Any deliverables submitted as "electronic and information technology", as defined in Section 508 of the Rehabilitation Act of 1973, shall comply with Section 508 requirements per 36 C.F.R 1194. The full text of the Section 508 regulations and provisions are available at http://www.section508.gov.

5.0 SECURITY AND CONFIDENTIALITY

5.1 Background

The Contractor recognizes that, in performing this contract, the Contractor may obtain access to non-public confidential information, Personally Identifiable Information (PII), or proprietary information. The Contractor agrees that it, its employees, its subcontractors, and its subcontract employees will not disclose to any third party, or otherwise use, any information it obtains or prepares in the course of performance under the contract without first

receiving written permission from the CFPB. Information acquired by the Contractor pursuant to the performance of this contract shall not be disclosed by the Contractor to others outside the approved contractor team members and the oversight staff without prior approval by the COR.

5.2 Contractor Personnel Security

5.2.1 Pre-Screening of Personnel and Removal of Unacceptable Personnel

All contractor personnel or any representative of the contractor entering any government facility or government-leased facility shall abide by all security regulations and be subject to security checks.

All information collected under this contract shall be considered procurement sensitive. Contractor staff must be a United States citizen or possess alien status in the United States and be able to pass a Government background investigation, if required, by the CFPB.

During the performance of this contract, access to the CFPB facilities for Contractor representatives shall be granted as deemed necessary by the Government. All contractor employees whose duties under this contract require their presence at any CFPB facility shall be clearly identifiable by a distinctive badge furnished by the Government.

In addition, corporate identification badges shall be worn on the outer garment at all times. It is the sole responsibility of the Contractor to provide this corporate identification. All on-site contractor personnel shall abide by security regulations applicable to that site.

The COR may direct that certain personnel that may be exposed to Sensitive but Unclassified (SBU) data meet additional security requirements. SBU data includes, but is not limited to, information that is protected from disclosure by the Privacy Act, 5 U.S.C. § 552a. The Contractor shall ensure that any such applicable personnel working on any contract, including subcontractors, meet the following requirements to protect against unauthorized disclosure of SBU data.

a. All applicable personnel shall be United States citizens or have lawful permanent resident status (at least 3 years or more of US Residency from date of legal entry into the United States).

b. All personnel shall be subject to Minimum Background Investigation (MBI) in accordance with the CFPB Standard. Contractors are expected to exercise due diligence in their hiring process. Contractors that are able to certify fingerprint based criminal background checks for, at a minimum, the jurisdictions in which they live and work, verification of past employment and education as part of their hiring process may have their employees begin working upon the submission of the required documents. Contractors who cannot certify that they include these elements as part of their hiring process must wait for the results of the CFPB fingerprint based criminal history records check to be successfully completed. Applicable personnel shall not begin working on the contract until all security forms have been properly completed and submitted to the COR for processing, as follows:

    1. Completed fingerprint cards
    2. Non-Disclosure Agreement
    3. Fair Credit Reporting Act Release
    4. SF 85-P, "Questionnaire for Public Trust Positions"

c. Personnel performing work in positions deemed to be high risk must complete a Background Investigation (BI) and must be US Citizens. Applicable personnel shall not begin working on the contract until all security forms have been properly completed and submitted to the COR for processing, as follows:

    1. Completed fingerprint cards
    2. Non-Disclosure Agreement
    3. Fair Credit Reporting Act Release
    4. SF 85-P, "Questionnaire for Public Trust Positions"

d. Applicable personnel shall wear CFPB issued identification badges when working in Government facilities.

e. Applicable personnel who undergo investigations that reveal, but are not limited to, the following may be unacceptable under this contract: conviction of a felony, a crime of violence or a serious misdemeanor; a record of arrests for continuing offenses; or failure to file or pay Federal income tax. The CFPB reserves the

right to determine if a Contractor employee assigned to a task shall continue with the task. The Contractor shall agree to remove the person assigned within one business day of official notification by the Government and provide a replacement within five business days. New hires or substitutions of personnel are subject to the same investigation requirement.

The contractor may be requested to sign a non-disclosure agreement regarding all deliverables and other pertinent information relative to this requirement. All information provided by the government shall be returned to the government at the conclusion of this contract. In addition the contractor must have provided the personnel associated with this contract, all security awareness training and all other requirements contained in the FISMA regulations, NIST guidelines and all other public law which shall include those requirements of the Federal Acquisition Regulation (FAR). Classified information will NOT be made available to the contractor.

6.0 DATA

All data developed as a result of any work awarded under this contract is and shall remain the property of the Government.

7.0 CYBERSECURITY/IT SECURITY

7.1 Definitions

a. Adequate Security. Security that is commensurate with the risk and magnitude of harm resulting from the loss, misuse, or unauthorized access to or modification of information. This includes assuring that systems and applications in use operate effectively and provide appropriate confidentiality, integrity, and availability through the use of managerial, operational, and technical security controls.

b. Availability. To ensure the timely and reliable access to, and use of, information.

c. Confidentiality. Preserving authorized restrictions on access and disclosure, including means for protecting personal privacy and proprietary information.

d. Information Assurance. Information Assurance (IA) are the measures that protect and defend information and information systems by ensuring their availability, integrity, authentication, confidentiality, and non-repudiation. This includes providing for restoration of information systems by incorporating protection, detection, and reaction capabilities.

e. Information Resource. An information resource encompasses both information and information related resources such as personnel, equipment, data, and information technology.

f. Information System. A discrete set of information resources organized for the collection, processing, maintenance, transmission, and dissemination of information, in accordance with defined procedures, whether automated or manual.

g. Information Technology. With respect to the CFPB, information technology means any equipment or interconnected system or subsystem of equipment, used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the CFPB, if the equipment is used by the CFPB directly or is used by a contractor under a contract with the CFPB that requires the use: (i) of that equipment; or (ii) of that equipment to a significant extent in the performance of a service or the furnishing of a product.

h. Information technology includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including support services), and related resources; but does not include any equipment acquired by a federal contractor incidental to a federal contract.

i. Integrity. Guarding against improper information modification or destruction, and includes ensuring information non-repudiation and authenticity.

j. Service Provider. Service Providers are non-CFPB entities that support the CFPB mission and information systems. These are any individual or other legal entity that (1) directly or indirectly (e.g., through an affiliate), submits offers for or is awarded, or reasonably may be expected to submit offers for or be awarded, a Government contract, including a contract for carriage under Government or commercial bills of lading, or a subcontract under a Government contract; or (2) conducts business, or reasonably may be expected to conduct business, with the Government as an agent or representative of another service provider.

k. Service providers are classified one of two ways: contracted or shared.

(1) Contracted Service Provider. A Contracted Service Provider (CSP) is a general term used to refer to outsourced business processes supported by private sector information systems, outsourced information technologies, or outsourced information services. A CSP performs clearly defined functions for which there are readily identifiable security considerations and needs that are addressed in both acquisition and operations. With the exception of material consequential to the contract, many CSPs conduct operations using Government Furnished Equipment (GFE). However, some CSPs may perform its own purchasing activities independent of government control in which case they would not use GFE.

(2) Shared Service Provider. A Shared Service Provider (SSP) is another federal agency functioning as a service provider for the CFPB. The CFPB and other federal agency would sign a Memorandum of Understanding (MOU), Interagency Agreement (IAA) or Data Exchange Agreement.

7.2 General Requirements

a. The service provider shall be responsible for adhering to CFPB information technology (IT) security requirements for all information systems connected to a CFPB network or operated by the service provider for, or on behalf of, the CFPB, regardless of location. This clause applies to all or any part of the contract that includes information technology, information resources or services for which the service provider must have physical or electronic access to CFPB information.

b. CFPB information technology and information assigned to service providers shall remain in the United States. The maintenance, operation, and/or processing of said technology and information must take place, and originate from, within the United States.

c. The service provider shall maintain a complete and accurate inventory of all CFPB-provided information resources. The inventory shall be made available for inspection immediately upon request by the CFPB.

d. The service provider facility hosting CFPB information resources must meet all applicable federal, state, and local zoning, environmental, and building laws and regulations. The facility must include protection against unauthorized access at all hours, including alarms and notification systems should such protection be breached.

e. Confirmed security compromises to CFPB information must be reported to the CFPB within 60 minutes of discovery by the service provider.

f. The service provider shall ensure that its employees, in the performance of the contract, receive and document annual information security awareness training in accordance with Office of Management and Budget (OMB) Circular A-130 and Federal Information Security Management Act of 2002 (FISMA) requirements.

g. The service provider shall grant the Government access to any and all facilities and information resources used in support of the contract. The CFPB shall conduct annual reviews to ensure that the security requirements in the contract are implemented, enforced, effective, and operating as intended. These reviews include, but are not limited to, comprehensive technical testing of the control environment used to safeguard CFPB information resources.

h. At the expiration of the contract, the service provider shall return all CFPB information resources provided to, or generated by, the service provider during the period of the contract. The service provider shall provide certification that all CFPB information has been sanitized from any non- GFE information system in accordance with CFPB standards and procedures. All equipment sanitization procedures must be environmentally sound as outlined by the U.S. Environmental Protection Agency (EPA).

i. The service provider shall comply with the terms of the Government-furnished property clauses in this contract for any CFPB-issued IT that is lost, stolen, missing, unaccounted for, or damaged.

j. For the purposes of application development, the CFPB encourages and prefers the use of web- based, commercial-off-the-shelf solutions. Web-based applications must be configured to work with multiple browser and operating system types and may not favor one browser type over another.

k. The service provider will adhere to CFPB common security configurations and practices. Security configurations and practices include:

l. The provider of information technology shall certify applications are fully functional and operate as intended on systems using the Federal Desktop Core Configuration (FDCC) and other operating system and application standards.

m. Final acceptance of the product will be based on the CFPB interpretation of the National Institute of Standards and Technology, National Checklist Program Repository (NIST, NCPR). Checklists are available at the NIST, NCPR website. In situations where security configurations are not available for proposed technologies, the CFPB shall provide instruction.

n. The installation, operation, maintenance, and update of software shall not alter any CFPB-accepted or established security configuration.

o. Applications designed for users shall run in standard user context without elevated system administrator privileges.

p. Products specifically designed for the purpose of Information Assurance (IA), and designated as such by the CFPB, are exempt from these common security configuration requirements. Non-GFE IT is exempted by the CFPB on a case-by-case basis.

q. The service provider shall notify the Contracting Officer and the COR within 30 days of any organizational change or impact that may interfere with the full execution of the information security requirements under the contract.

r. Throughout the term of the contract, should the service provider deliver a product or provide a service that does not meet (and maintain) these information security requirements the service provider, at their own expense, will correct issues within 90 days of notification by the Contracting Officer.

7.3 Additional Requirements

a. The service provider shall have fully completed, attested to, and submitted to the Contracting Officer the CFPB's Service Provider Self-Assessment prior to or concurrent with the execution of the contract.

b. The service provider shall maintain a computing environment with adequate security at all times. This includes, but is not limited to, the description and documentation of the processes and procedures that will be followed to ensure the security of IT resources that are developed, processed, transmitted, used, or maintained under this contract and comprehensive technical testing of the contractor's computing environment by the CFPB.

c. Prior to the execution of the contract, the CFPB may validate adequate security controls in the contractor environment. When a validation is required, the validation will be conducted by the CFPB as part of an on-site inspection process.

d. The contractor agrees to demonstrate, to personnel authorized by the CFPB, the technical, operational, and management safeguards that protect the confidentiality, integrity, and availability of CFPB information that it develops, processes, transmits, uses, or maintains during the execution of this contract.

e. The on-site inspection serves to ensure the computing environment complies with Federal laws that include, but are not limited to, the Federal Information Security Management Act of 2002 (FISMA); and with Federal policies and procedures that include, but are not limited to, OMB Circular A-130, FIPS Publications 199 and 200, and Department of the Treasury Directive 85-01. Copies of these documents are maintained by the

CFPB Office of Cybersecurity and are available upon request. Failure to maintain compliance with applicable statutes, regulations, and guidance may be cause for contract termination.

f. The service provider must maintain an active information security program. The program shall specifically address methods regarding handling and protecting CFPB information at the contractor's site (including any information stored, processed, or transmitted using the contractor's computer systems), and the secure management, operation, maintenance, programming, and system administration of computer systems, networks, and telecommunications systems.

g. The service provider may use additional safeguards to prevent use or disclosure of CFPB information other than as provided for by the contract as deemed necessary.

h. The service provider shall, at their own expense, take action to mitigate any harmful effect that is known to the service provider of a use or disclosure of CFPB information by the contractor in violation of the requirements of this clause.

7.4 Obligations of the CFPB

The CFPB Office of Cybersecurity maintains information on current information security requirements and standards and will provide details upon request. The service provider will be notified of any substantive changes to information security requirements that have a significant impact on the Service Provider's information security obligations under the contract. The CFPB will evaluate the need for a new on-site inspection at a minimum once each year. The CFPB in its sole discretion may determine that a new on-site inspection is necessary.

8.0 ORGANIZATIONAL CONFLICT OF INTEREST

Contractor and subcontractor personnel performing work under the contract may receive, have access to or participate in the development of proprietary or source selection information (e.g., cost or pricing information, budget information or analyses, specifications or work statements, etc.), or perform evaluation services which may create an Organizational Conflict of Interests (OCI) as defined in FAR Subpart 9.5, relating to this contract or future solicitations. The contractor shall notify the Contracting Officer immediately whenever it becomes aware that such access or participation may result in any actual, potential or apparent OCI and shall promptly submit a plan to the Contracting Officer to avoid or mitigate any such OCI. The Contracting Officer may also identify an actual or potential OCI and notify the Contractor to submit a plan for mitigation. The contractor's mitigation plan will be determined to be acceptable solely at the discretion of the Contracting Officer and in the event the Contracting Officer unilaterally determines that any such OCI cannot be satisfactorily avoided or mitigated, the Contracting Officer may affect other remedies as he or she deems necessary, including prohibiting the contractor from participation in subsequent contracted requirements which may be affected by the OCI.

ATTACHMENT 1:

NON-DISCLOSURE AGREEMENT

Conditional Access to Sensitive But Unclassified or Controlled Unclassified Information Non-Disclosure Agreement

I, _____, hereby consent to the terms in this Agreement in consideration of my being granted conditional access to certain United States Government documents or material sensitive but unclassified and/or confidential unclassified information.

I understand and agree to the following terms and conditions:

1. By being granted conditional access to sensitive but unclassified or confidential unclassified information (SBU/CUI), the United States Government has placed special confidence and trust in me and I am obligated to protect this information from unauthorized disclosure, in accordance with the terms of this Agreement.

2. As used in the Agreement, SBU/CUI is any information the loss, misuse, or unauthorized access to or modification of which could adversely affect the national interest or the conduct of Federal programs, or the privacy to which individuals are entitled under Title 5 USC 522a, but which has not been specifically authorized under criteria established by an Executive Order or an Act of Congress to be kept secret in the interest of national defense or foreign policy.

3. I am being granted conditional access contingent upon my execution of this contract for the sole purpose of providing Innovation Development and Testing Support Services. This approval will permit me conditional access to certain information, documents, memoranda, reports, testimony, deliberations, maps, assessments, etc. and/or to attend meetings in which such information is discussed or otherwise made available to me. This Agreement will not allow me access to materials which the Consumer Financial Protection Bureau (CFPB) predetermined, in its sole discretion, are inappropriate for disclosure pursuant to this Agreement. This may include SBU/CUI information provided to CFPB other agencies of the United States Government.

4. I will never divulge any SBU/CUI that is provided to me pursuant to this Agreement to anyone, unless I have been advised in writing by CFPB that the individual is authorized to receive it. Should I desire to make use of any SBU/CUI information, I will do so in accordance with paragraph 6 of this Agreement. I will submit to CFPB for a security review, prior to any submissions for publication, any book, article, column or other written work for general publication that is based upon any knowledge I obtained during the course of my work under this contract in order for the CFPB to ensure that SBU/CUI is disclosed.

5. I hereby assign to the United States Government all royalties, remunerations, and emoluments that have resulted, will result or may result from any disclosure, publication, or revelation of SBU/CUI not consistent with the terms of this Agreement.

6. If I am permitted, at the sole discretion of the CFPB, to review any official documents containing SBU/CUI, such review will be conducted at a secure facility or under circumstances that will maintain the security protection of such materials. I will not be permitted to and will not make any copies of documents or parts of documents to which conditional access is granted to me. Any notes taken during the course of such access will remain at the CFPB, to be placed in secure storage unless it is determined by CFPB officials that the notes contain no SBU/CUI. If I wish to have the notes released to me, CFPB officials will review the notes for the purposes of deleting any SBU/CUI to create a redacted copy of the notes. If I do not wish a review of any notes that I make, those notes will remain in secure storage at the CFPB.

7. If I violate the terms and conditions of this Agreement, I understand that the unauthorized disclosure of SBU/CUI could compromise the security of the CFPB.

8. If I violate the terms and conditions of this Agreement, such violation may result in the cancellation of my conditional access to SBU/CUI. This may serve as a basis for denying me conditional access to CFPB information, both SBU/CUI in the future. If I violate the terms and conditions of this Agreement, the United States may institute a civil action for damages or any other appropriate relief. The willful disclosure of information to which I have agreed herein not to divulge may constitute a criminal offence.

9. Unless and until I am provided a written release by the CFPB from this Agreement or any portions of it, all conditions and obligations contained in this Agreement apply both during my period of conditional access, which shall terminate at the conclusion of my, and at all times thereafter.

10. Each provision of this Agreement is severable. If a court should find any provisions of this Agreement unenforceable, all other provisions shall remain in full force and effect.

11. I understand that the United States Government may seek any remedy available to it to enforce this Agreement, including, but not limited to, application for a court order prohibiting disclosure of information in breach of this Agreement.

12. By granting me conditional access to information in this context, the United States Government does not waive any statutory or common law evidentiary privileges or protections that it may assert in any administrative or court proceeding to protect any SBU/CUI to which I have been given conditional access under the terms of this Agreement.

13. These restrictions are consistent with and do not supersede, conflict with or otherwise alter the employee obligations, rights or liabilities created by Executive Order 12356; Section 7211 of Title 5, United States Code (governing disclosures to Congress); Section 1034 of Title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); Section 2302(b)(8) of Title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); The Privacy Act of 1974, 5 U.S.C. § 552a, Public Law No. 93-579, (Dec. 31, 1974) establishes a Code of Fair Information Practice that governs the collection, maintenance, use, and dissemination of personally identifiable information about individuals that is maintained in systems of records by federal agencies; the Intelligence Identities Protection Act of 1982 (50 USC 421 et seq.) (governing disclosures that could expose confidential Government agents), and the statutes that protect against disclosure that may compromise the national security, including Sections 641, 793, 794, 798, and 952 of Title 128, United States Code, and Section 4(b) of the Subversive Activities Act of 1950 (50 USC Section 783 (b)). The definitions, requirements, obligations, rights, sanctions and liabilities created by said Executive Order and listed statutes are incorporated into this Agreement and are controlling.

14. My execution of this Agreement shall not nullify or effect in any manner any other secrecy or nondisclosure Agreement which I have executed or may execute with the United States Government.

I make this Agreement in good faith, without mental reservation or purpose of evasion.

_____ _____

Name (Print) Date

_____

Signature

This Agreement was accepted by the undersigned on behalf of the Consumer Financial Protection Bureau as a prior condition on conditional access to SBU/CUI.

_____ _____

Consumer Financial Protection Bureau Date

Q.7. Currently, the CFPB is collecting account-level data from payment card issuers. It is my understanding that the request covers millions of individuals' credit card accounts and that the information must be supplied to the CFPB on a monthly basis. The CFPB is requesting that the information be sent to the agency with personally identifying information about consumers. Please answer the following questions with regard to this collection of individual consumer transactions:

What is the purpose of this data collection?

A.7. The CFPB is not collecting any personally identifiable information about any consumers as part of its credit card data collection effort. The data we are collecting as part of our ongoing supervisory activities will help the CFPB to assess and examine compliance with Federal consumer financial protection laws and risk to consumers in the credit card marketplace.

Q.8. How many accounts has the CFPB followed and how many is it currently following? Does it change the consumer accounts it maintains records for after a certain period of time or track certain account records continuously?

A.8. The CFPB is obtaining information from a number of credit card issuers on a monthly basis on those issuers' accounts. Information about the number of accounts on which the CFPB receives data is confidential supervisory information.

Q.9. Why is it necessary to demand all consumer account data instead of an anonymous representative sample?

A.9. The data are anonymous and cannot be used to identify any individual consumer. Identifying a sample that would be representative of an issuer's portfolio would be burdensome for the issuer, which would need to pull that sample each month and then go through further procedures and analyses to compare those accounts to its overall portfolio to assure that the sample was representative.

Q.10. What does the CFPB intend to do with it?

A.10. The CFPB uses the data to inform its supervisory processes and to monitor risks to consumers. These data help the CFPB to analyze and benchmark credit card issuers across our supervision work. The CFPB also uses the data to assess and examine compliance with Federal consumer financial protection laws.

Q.11. Has the agency set a time period for retaining this data, and will the individual consumer transaction information be purged from all Federal records after this retention period?

A.11. The data exclude personally identifiable information about individual consumers. There is no set time period for retention of the data.

Q.12. Does the CFPB share this information with any outside third parties? Are these outside third parties under contract with the CFPB? With whom does the CFPB intend to share it in the future?

A.12. The CFPB has retained a data services vendor that manages the data on the CFPB's behalf, and that vendor is under contract with the CFPB and is subject to all Federal data protection rules

and requirements. The CFPB does not otherwise share this information with any nongovernmental outside third parties.

Q.13. Does the CFPB provide this data—in whole, part, or summary—to any other Federal agency or entity? If so, please describe how this data is requested and how it is shared.

A.13. The Bureau generally shares data with prudential regulators in accordance with the Supervisory Data Sharing Memorandum of Understanding between the CFPB and the prudential regulators. Any sharing of these loan-level data would comply with those agreements.

Q.14. How much does the agency spend annually on this data collection?

A.14. The Bureau spends approximately $3 million per year on this data collection.

Q.15. With respect to the Paperwork Reduction Act and other laws, OMB has set forth certain parameters for surveys and data collection. Please submit the OMB approval document for this data collection effort.

A.15. This data collection is not subject to PRA requirements.

Q.16. Do individuals and their families have the opportunity to opt out of this Federal agency data collection?

A.16. Individuals and families are not identified in this data collection, and individual consumers and their families are not participants in this data collection. Title X of the Dodd-Frank Act authorizes the Bureau to supervise certain consumer financial services companies to protect consumers. Some of the consumer financial services companies under CFPB supervision are the participants in this data collection, and they may not opt out of supervision activities.

Q.17. Do you anticipate that the CFPB will engage in rulemaking as a result of the data collection?

A.17. The CFPB uses the data to inform CFPB analysis of risks to consumers in the credit card marketplace and risks to the market. Analysis of the data may lead the CFPB to identify areas where appropriate regulations could improve the functioning of the market, and may support the CFPB's efforts to reduce outdated, unnecessary, or unduly burdensome regulations. Thus, this information may be used to inform future rulemaking activities as appropriate.

Q.18. I understand that this account-level data is comprehensive of each payment card issuer that furnishes data. How is the CFPB ensuring that the consumer information it collects is kept secure; to date, has the CFPB suffered any breaches of data, and has any data breach reached consumer information?

A.18. The data that the Bureau solicits and collects from issuers exclude personally identifiable information about the individual consumers to whom the data pertains. Accordingly, no breach of personally identifiable information by the CFPB is possible. For example, the names of individual consumers or their contact information, Social Security numbers, and credit card account numbers are not included in the data. Because the data is not personally identi-

fiable, it also does not constitute a system of records that is subject to the requirements of the Privacy Act of 1974, 5 U.S.C. §552a. Nevertheless, all such data are subject to the protections given to information that the CFPB obtains through its supervisory authorities.[3] The data are managed according to IT security requirements that comply with Federal laws, policies, and procedures.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR MORAN FROM RICHARD CORDRAY

Q.1. What combined effect do you expect the final rule on Qualified Mortgages and new servicing rules to have on the cost and availability of mortgage credit in the near future?

A.1. In the *Federal Register* notices setting forth the final Ability-to-Repay/Qualified Mortgage (QM) rules and servicing rules, the CFPB shared its assessment of the potential effects of these rules on the cost and availability of mortgage credit. The CFPB stated its belief that the QM rule will not lead to a significant reduction in consumers' access to mortgage credit or a material impact on cost. The CFPB also laid out in detail the basis for this belief. Among other reasons, the CFPB noted that underwriting practices and standards have tightened significantly since the financial crisis, so that implementation of the rule will not require a major change in current practices. The Bureau also noted that it had carefully structured the rules defining qualified mortgages to provide broad coverage for Qualified Mortgages, including a transition period, and through a variety of provisions to help encourage responsible loans to creditworthy borrowers as the market adjusts to the new regulatory regime, including further provisions that are currently under consideration in the concurrent proposal.

As for the servicing rules, the CFPB stated that the cost of these rules is likely to be small. Regarding the amendments to Regulation Z, the Bureau exempted small servicers from the periodic statement requirement and found that the costs were extremely small for the variable-rate periodic adjustment notice, the new initial interest rate adjustment notice, the prompt crediting requirement, and the payoff statement requirement. Regarding the amendments to Regulation X, the CFPB explained that over 80 percent of outstanding mortgages are guaranteed by Fannie Mae, Freddie Mac, FHA, or the VA and that many of the requirements of the final rule are similar or identical to requirements already imposed on servicers of such mortgages. Small servicers have been exempted from many of these requirements as well.

Q.2. What kind of analysis and coordination is the CFPB undertaking to understand the aggregate impact of the Qualified Mortgages and Qualified Residential Mortgages (QRM) on the cost and availability of mortgage credit? Is the CFPB also taking into account how the proposed risk-weighting of mortgages and servicing rights in the Basel III proposals by the Federal Reserve, FDIC, and

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[3] These include protections set forth in the Act; the Bureau's confidentiality regulations at 12 CFR §1070.40 et seq.; Exemption 8 of the Freedom of Information Act, 5 U.S.C. §552(b)(8); and CFPB Bulletin 12-01, which is viewable online at *http://www.consumerfinance.gov/wp-content/uploads/2012/01/GC__bulletin__12-01.pdf.*

OCC will affect the mortgage market before finalizing its QRM rulemaking?

A.2. As stated above, the Bureau analyzed the potential impact of the QM rule on the cost and availability of mortgage credit. Under the statute, the Bureau is not an agency that will be finalizing or issuing either the QRM or the Basel III proposals. Therefore, conducting such analyses in the context of the QRM rulemaking and the risk-weighting of mortgages and servicing rights in the Basel III proposals by the Federal Reserve, the FDIC, and OCC are within the purviews of those other regulators rather than the CFPB.

Q.3. In its first annual report, the CFPB Ombudsman recommended that the CFPB review and clarify what the enforcement attorney's role during the supervisory examination is since it may be causing institutions to be less willing to share information. When do you expect the CFPB to act on this recommendation?

A.3. The CFPB is currently reviewing its implementation of this policy, as recommended by the Ombudsman's report.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR COBURN FROM RICHARD CORDRAY

Q.1. Currently, Federal Reserve provides for CFPB's operating costs from the "combined earnings" of the Federal Reserve System pursuant to Section 1017 of Dodd-Frank Wall Street Reform and Consumer Protection Act. In his February 14th testimony before the Senate Banking Committee, Chairman Bernanke stated that a recent Federal Reserve analysis estimated that the Federal Reserve might record losses of $40 billion and suspend contributions to the Treasury for 4 years beginning in 2017 if interest rates rise to 3.8 percent later this decade. If rates rise by another percentage point, the losses would triple, according to the study. As a result, the CFPB would have to seek funds from Congress at that time. If the CFPB does not intend to seek funds from Congress at that time, please explain how you plan to fund CFPB's operations at that time? If the CFPB plans to seek funds from Congress at that time, why is it not appropriate to subject the CFPB to congressional appropriations process now?

A.1. The Dodd-Frank Act authorizes the CFPB to receive funding from the Federal Reserve in amounts determined by the Director to be reasonably necessary to carry out the authorities of the Bureau, up to capped annual funding levels. The caps on the Bureau's funding levels are expressed as a percentage of the total operating expenses of the Federal Reserve System as reported in its 2009 annual report and are thus fixed in amount at this time and going forward, without being affected by any ongoing fluctuations in earnings by the Federal Reserve. Estimates by the Congressional Budget Office show the CFPB as having spending authority derived from transfers from the Federal Reserve through the budget horizon. The Bureau is also authorized to seek up to $200 million annually in additional appropriated funds from Congress if deemed necessary, but the Bureau has no plans to seek any such appropriated funds at this time. However, the Bureau will continue to submit an annual report to the House and Senate Committees on

Appropriations, as it did in July of 2012, and is happy to meet with any Members of Congress to discuss the Bureau's budget.

Q.2. At the hearing, you stated that the CFPB is applying the Government Performance and Results Act (GPRA) to show how the agency is justifying its spending. Please provide the most recent GPRA report. If no current GPRA report is available, then please provide any interim GPRA report.

A.2. The Bureau's draft strategic plan under GPRA is publicly available on its Web site at *http://www.consumerfinance.gov/strategic-plan/*. We anticipate releasing a final version of the strategic plan this Spring, along with updated budget and performance documents.

Q.3. A November 2012 audit of the CFPB by the Government Accountability Office (GAO) revealed that of CFPB's approximately $300 million in obligations, $151 million was spent on Contracts & Support Services, $134.2 million on Salary & Benefits, and $14.6 million on other obligations. Moreover, total CFPB net costs for FY2012 for its three strategic missions are as follows: $150.2 million for Supervision, Enforcement, Fair Lending and Equal Opportunity; $56.7 million for Consumer Education and Engagement; and $39.3 million for Research, Markets, and Regulations. Do you consider these breakdowns to be appropriate and adequate? How do you anticipate them changing over time?

A.3. Yes, the display of Fiscal Year 2012 obligations in the Financial Report of the CFPB for Fiscal Year 2012 is a fair and accurate representation of spending by major program area.

The CFPB also published quarterly updates on Fiscal Year 2012 spending, which are available on the Bureau's Web site (*http://www.consumerfinance.gov/budget/*). The additional detail includes an accounting of spending by major budget category (object class) and division, as well as a listing of major investments for Fiscal Year 2012. In addition, as you inquired at the hearing, all CFPB-awarded contractual obligations over the threshold of $3,000 are publicly available at *www.usaspending.gov*.

The proportional breakdown of the Bureau's spending is evolving over time. At the outset, most funds were expended on contractual services (including significant payments to the Treasury Department, which had initial statutory authority to stand up the new Bureau), as the Bureau began with small numbers of personnel and has gradually grown in staff and developed more fulsome structures. Accordingly, the amount of contract services will diminish over time. The proportion of funds expended on different functions of the Bureau will continue to evolve over time, though it is likely that Supervision, Enforcement, Fair Lending and Equal Opportunity will always require the largest share of resources to be devoted to their work.

The CFPB received an unqualified "clean" opinion from the GAO on its Fiscal Year 2012 financial statements. GAO also provided an unqualified opinion on the Bureau's Fiscal Year 2011 financial statements. These opinions confirm that the CFPB has implemented effective internal controls over the efficiency of operations, compliance with laws and regulation, and financial reporting.

Q.4. The GAO audit also revealed that in Fiscal Year 2012 the CFPB expended $39.3 million on "Research, Markets, & Regulation." Yet, the audit did not provide a breakdown of spending in each of these categories. What portion of that budget was spent on research and what percentage on rule writing? Do you believe that the CFPB is spending adequate amounts on research and market analysis?

A.4. Of the $39.3 million obligated to support Research, Markets, and Regulations, approximately 19 percent supported Research activities while about 33 percent covered Regulation activities. The Bureau is building its Office of Research and has and will continue to make investments in these core functions to achieve the statutory purposes that Congress established and assure that its policymaking is backed by rigorous, data-driven analysis.

Q.5. Note 4 in the GAO audit states that "[a]mounts in the Civil Penalty Fund are immediately available to CFPB and under the control of the Director, and shall remain available until expended, for payments to victims of activities for which civil penalties have been imposed. To the extent that such victims cannot be located or such payments are otherwise not practicable, the Bureau may use such funds for the purposes of consumer education and financial literacy programs." The audit report also notes that "[d]uring fiscal year 2012, the CFPB negotiated $340 million in redress payments made directly to harmed victims. Additionally, the CFPB received $32 million from civil penalty settlements." Please provide detailed accounting for the amount contributed to and distributed from the Civil Penalty Fund since its inception, including a detailed breakdown of how much money was expended from the Fund to victims (as a lump sum) and how much money was distributed for purposes of consumer education and financial literacy programs, including a detailed list and amount for each such programs. Does the Bureau intend to use the funds from the Civil Penalty Fund to pay for existing consumer education and financial literacy programs or to create new programs?

A.5. The CFPB received $32 million in civil penalties during Fiscal Year 2012. The CFPB received an additional $14.1 million in penalties shortly after fiscal year 2012 closed. These amounts were reported in the Financial Report of the Consumer Financial Protection Bureau, Fiscal Year 2012 (Notes 16 and 17), available at *http://www.consumerfinance.gov/reports/financial-report-of-the-cfpb-fiscal-year-2012/*. Subsequent to the publication of the Financial Report, the CFPB collected an additional $5,001 in civil penalties in fiscal year 2013. No distributions have been made from the Civil Penalty Fund to date. The Bureau has been carefully proceeding to develop an initial rule governing the process of distributing funds from the Civil Penalty Fund. The Bureau will publish that rule soon and will also request public comment.

Q.6. In this report, the CFPB highlights that it spent $151 million on contracts and support services for FY2012. At the hearing, you stated that most of this cost is due to start-up costs and most of the contracts were with Treasury and other Federal agencies. The report lists some but not all of the expenditures. In addition, USAspending.gov only lists $58 million in contracts by the CFPB.

Please provide a complete list of contracts the CFPB has entered into for FY2012 and FY2013, including the amount of the contract and whether the contract was a "sole source" contract or done through a public request for bid. For the contracts identified as sole source, please submit all justifications and contract amounts.

A.6. Lists of the contracts that the CFPB has entered into for Fiscal Year 2012 and Fiscal Year 2013, including the amounts, are attached as Attachments B and C. Attachment D identifies the contracts listed in Attachments B and C that were sole source, and the justification for each.

Attachment B

FY 2012 OTHER CONTRACTUAL SERVICES AND EQUIPMENT

Moc	Boc Description	Vendor	Total Amount
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	1ST CHOICE STAFFING LLC	84,960.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	1ST CHOICE STAFFING LLC	6.65
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	1,136,286.71
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	979,865.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	706,040.66
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	445,097.80
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	217,775.36
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	99,800.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	93,597.32
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	62,531.10
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	57,652.40
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	52,961.56
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	38,323.68
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	A+ GOVERNMENT SOLUTIONS INC.	8,275.05
25	MISCELLANEOUS SERVICES	A+ GOVERNMENT SOLUTIONS INC.	4,496.72
25	ENGINEERING AND TECHNICAL SERVICES	AAC INC.	1,153,838.06
25	ENGINEERING AND TECHNICAL SERVICES	AAC INC.	150,000.00
25	ENGINEERING AND TECHNICAL SERVICES	AAC INC.	100,000.00
25	ENGINEERING AND TECHNICAL SERVICES	AAC INC.	24,845.86
25	ENGINEERING AND TECHNICAL SERVICES	AAC INC.	10,528.79
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	465,764.00
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	6,583.50
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	2,492.80
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	2,394.00
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	1,185.48
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	877.80
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	722.00
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	155.80
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	-73.15
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	-199.50
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	-548.62
25	INTERPRETER SERVICES	ACCESS INTERPRETING INC.	-175,000.00
31	SOFTWARE-CAPITALIZED	ADDX CORPORATION	1,060,702.41
31	SOFTWARE-CAPITALIZED	ADDX CORPORATION	1,000,000.00
31	SOFTWARE-CAPITALIZED	ADDX CORPORATION	439,297.59
25	SERVICES OF OTHER AGENCIES	ADMINISTRATIVE AND GENERAL PROGRAMS	29,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	ADVERTISING COUNCIL INC. THE	999,991.00
25	SERVICES OF OTHER AGENCIES	AGRICULTURE UNITED STATES DEPT OF	104,750.00
25	MISCELLANEOUS SERVICES	AGRICULTURE UNITED STATES DEPT OF	93,000.00
25	SERVICES OF OTHER AGENCIES	AGRICULTURE UNITED STATES DEPT OF	54,900.00
25	MISCELLANEOUS SERVICES	AGRICULTURE UNITED STATES DEPT OF	42,990.00
25	SERVICES OF OTHER AGENCIES	AGRICULTURE UNITED STATES DEPT OF	25,900.00
25	SERVICES OF OTHER AGENCIES	AGRICULTURE UNITED STATES DEPT OF	22,600.00
25	SERVICES OF OTHER AGENCIES	AGRICULTURE UNITED STATES DEPT OF	17,037.00
25	MISCELLANEOUS SERVICES	AGRICULTURE UNITED STATES DEPT OF	-42,990.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	AINS INC.	98,883.34
31	SOFTWARE-NON-CAPITALIZED	AINS INC.	27,730.00
25	MISCELLANEOUS SERVICES	AINS INC.	25,500.00
25	MISCELLANEOUS SERVICES	AINS INC.	16,170.80
25	COMMERCIAL TRAINING	AINS INC.	3,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	AINS INC.	62.35
25	MISCELLANEOUS SERVICES	AINS INC.	6.29
25	COMMERCIAL TRAINING	AINS INC.	1.90
31	SOFTWARE-NON-CAPITALIZED	ALAMO CITY ENGINEERING SERVICES INC.	89,507.76
31	SOFTWARE-NON-CAPITALIZED	ALAMO CITY ENGINEERING SERVICES INC.	89,507.76
31	SOFTWARE-NON-CAPITALIZED	ALAMO CITY ENGINEERING SERVICES INC.	-89,507.76
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	54,600.00
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	35,586.00
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	15,462.00
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	11,596.50
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	3,865.50
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	3,865.50
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	2,395.00
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	-900.00
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	-900.00
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	-2,700.00
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	-3,600.00
25	COMMERCIAL TRAINING	AMERICAN BANKERS ASSOCIATION	-39,660.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	AMERICAN BAR ASSOCIATION-1	126,854.00
31	SOFTWARE-NON-CAPITALIZED	AMERICAN DIGITAL CARTOGRAPHY INC	9,450.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	AON CONSULTING INC.-1	148,239.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	AON CONSULTING INC.-1	38,320.00
25	STUDIES, ANALYSES, AND EVALUATIONS	ARGUS INFORMATION AND ADVSY SRS LLC	2,900,000.00
25	ENGINEERING AND TECHNICAL SERVICES	ARMEDIA LLC	604,986.17
25	ENGINEERING AND TECHNICAL SERVICES	ARMEDIA LLC	5,620.00
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	ARPIN VAN LINES INC.	6,700.00
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	ARPIN VAN LINES INC.	5,800.00
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	ARPIN VAN LINES INC.	3,900.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	ARPIN VAN LINES INC.	2,000.00

25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	ARPIN VAN LINES INC.	1,700.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	ARPIN VAN LINES INC.	1,400.00
25	STUDIES, ANALYSES, AND EVALUATIONS	ASR ANALYTICS LLC	269,218.45
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	ATLAS VAN LINES INC.	2,900.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	ATLAS VAN LINES INC.	700.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	BEHAVIORAL IDEAS LAB INC.	1,667,063.00
31	ADP EQUIPMENT-NON-CAPITALIZED	BETTER DIRECT LLC	18,125.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	BLDS LLC	88,500.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	BLDS LLC	88,500.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	BLDS LLC	73,320.00
31	SOFTWARE-NON-CAPITALIZED	BLUE TECH INC.	97,672.54
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	BOARD OF GOV OF THE FED RES SYS THE	3,000,000.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	507,028.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	200,400.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	200,000.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	200,000.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	200,000.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	200,000.00
25	MISCELLANEOUS SERVICES	BOARD OF GOV OF THE FED RES SYS THE	168,180.50
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	85,000.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	85,000.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	75,000.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	75,000.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	10,100.00
25	SERVICES OF OTHER AGENCIES	BOARD OF GOV OF THE FED RES SYS THE	1,372.00
25	MISCELLANEOUS SERVICES	BOARD OF GOV OF THE FED RES SYS THE	-168,180.50
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	BOOZ ALLEN HAMILTON INC.	1,431,920.00
25	STUDIES, ANALYSES, AND EVALUATIONS	BOOZ ALLEN HAMILTON INC.	178,557.11
25	STUDIES, ANALYSES, AND EVALUATIONS	BOOZ ALLEN HAMILTON INC.	17,250.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	BULLETIN NEWS LLC	125,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	C.B. HARRIS & COMPANY	373,286.40
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	C.B. HARRIS & COMPANY	31,107.20
31	ADP EQUIPMENT-NON-CAPITALIZED	CAPITOL SUPPLY INC.	13,180.00
31	SOFTWARE-NON-CAPITALIZED	CARAHSOFT TECHNOLOGY CORPORATION	162,742.31
31	SOFTWARE-NON-CAPITALIZED	CARAHSOFT TECHNOLOGY CORPORATION	20,152.00
31	SOFTWARE-NON-CAPITALIZED	CARAHSOFT TECHNOLOGY CORPORATION	11,838.90
25	MISCELLANEOUS SERVICES	CARROLL PETER J	1,015.00
25	MISCELLANEOUS SERVICES	CARROLL PETER J	995.00
25	MISCELLANEOUS SERVICES	CBCINNOVIS INC.	13,130.00
25	EXPENSES INCIDENT TO SECURING EVIDENCE	CEASER ANGELA R	8.10
31	TELECOMMUNICATIONS EQUIPMENT-NON-CAPITALIZED	CELLCO PARTNERSHIP	36,000.00
25	COMMERCIAL TRAINING	CENTER FOR CREATIVE LEADERSHIP INC	6,256.00
25	COMMERCIAL TRAINING	CENTER FOR CREATIVE LEADERSHIP INC	3,354.00
25	STUDIES, ANALYSES, AND EVALUATIONS	CLARITY SERVICES INC	312,660.00
25	RENTAL PAYMENTS TO FEDERAL AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	11,356,452.00
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	411,918.93
25	RENTAL PAYMENTS TO FEDERAL AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	291,749.29
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	168,341.00
25	MISCELLANEOUS SERVICES	COMPTROLLER OF THE CURR OFC OF THE	131,250.00
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	75,000.00
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	61,423.21
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	54,956.00
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	54,956.00
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	54,956.00
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	33,945.00
25	MISCELLANEOUS SERVICES	COMPTROLLER OF THE CURR OFC OF THE	28,000.00
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	7,063.34
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	6,660.00
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	-6,660.00
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	-7,063.34
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	-54,956.00
25	SERVICES OF OTHER AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	-54,956.00
25	RENTAL PAYMENTS TO FEDERAL AGENCIES	COMPTROLLER OF THE CURR OFC OF THE	-291,749.29
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	CONVERGE NETWORKS CORPORATION	97,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	CONVERGE NETWORKS CORPORATION	77,500.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	CONVERGE NETWORKS CORPORATION	28,928.64
31	SOFTWARE-NON-CAPITALIZED	CONVERGENCE TECH CONSULTING LLC	6,300.00
25	ENGINEERING AND TECHNICAL SERVICES	CORELOGIC INFORMATION SOLUTIONS INC	150,000.00
31	SOFTWARE-CAPITALIZED	CORPORATE EXECUTIVE BOARD CO THE	95,613.00
25	SERVICES OF OTHER AGENCIES	CORPORATE EXECUTIVE BOARD CO THE	52,353.00
31	SOFTWARE-CAPITALIZED	CORPORATE EXECUTIVE BOARD CO THE	52,353.00
25	SERVICES OF OTHER AGENCIES	CORPORATE EXECUTIVE BOARD CO THE	43,260.00
25	SERVICES OF OTHER AGENCIES	CORPORATE EXECUTIVE BOARD CO THE	39,500.00
25	SERVICES OF OTHER AGENCIES	CORPORATE EXECUTIVE BOARD CO THE	30,000.00
25	SERVICES OF OTHER AGENCIES	CORPORATE EXECUTIVE BOARD CO THE	30,000.00
31	SOFTWARE-CAPITALIZED	CORPORATE EXECUTIVE BOARD CO THE	-52,353.00
31	SOFTWARE-CAPITALIZED	CORPORATE EXECUTIVE BOARD CO THE	-95,613.00
25	STUDIES, ANALYSES, AND EVALUATIONS	CORPORATION FOR ENTERPRISE DEVELPMT	1,182,947.00
25	STUDIES, ANALYSES, AND EVALUATIONS	CORPORATION FOR ENTERPRISE DEVELPMT	195,500.00
25	SERVICES OF OTHER AGENCIES	CORPORATION FOR ENTERPRISE DEVELPMT	10,000.00
25	ENGINEERING AND TECHNICAL SERVICES	CROSS MATCH TECHNOLOGIES INC.	1,950.80
25	MISCELLANEOUS SERVICES	DATE RAJEEV V	46.24
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	1,727.47
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	1,295.61

25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	863.74
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	863.74
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	863.74
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	863.74
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	431.87
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	431.87
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	431.87
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	431.87
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	431.87
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	431.87
25	COMMERCIAL TRAINING	DAVID L. HOUSEMAN AND ASSOCIATES	431.87
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	153,801.10
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	147,000.15
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	98,000.10
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	65,333.40
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	49,002.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	32,668.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	32,668.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	32,668.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	32,668.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	32,666.70
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	32,666.70
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	32,666.70
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,334.01
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,334.01
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,334.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,334.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,334.00
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25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,334.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,333.35
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,333.35
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,333.35
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,333.35
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,333.35
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	16,333.35
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	13,611.68
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	9,527.69
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	9,527.45
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	2,722.34
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	1.60
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	0.79
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	0.79
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	0.79
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DAVIS AUDREY ROBINETTE	0.79
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DELOITTE & TOUCHE L.L.P.	753,090.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DELOITTE & TOUCHE L.L.P.	495,714.67
25	STUDIES, ANALYSES, AND EVALUATIONS	DELOITTE CONSULTING LLP	1,693,722.23
25	STUDIES, ANALYSES, AND EVALUATIONS	DELOITTE CONSULTING LLP	1,693,722.22
25	STUDIES, ANALYSES, AND EVALUATIONS	DELOITTE CONSULTING LLP	475,664.50
25	STUDIES, ANALYSES, AND EVALUATIONS	DELOITTE CONSULTING LLP	471,408.00
25	STUDIES, ANALYSES, AND EVALUATIONS	DELOITTE CONSULTING LLP	196,228.11
25	STUDIES, ANALYSES, AND EVALUATIONS	DELOITTE CONSULTING LLP	143,798.53
25	STUDIES, ANALYSES, AND EVALUATIONS	DELOITTE CONSULTING LLP	143,798.52
25	STUDIES, ANALYSES, AND EVALUATIONS	DELOITTE CONSULTING LLP	4,256.50
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL MNGMNT AND OPERATIONS	74,450.00
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL MNGMNT AND OPERATIONS	50,925.98
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL MNGMNT AND OPERATIONS	50,925.98
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL MNGMNT AND OPERATIONS	7,090.38
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL MNGMNT AND OPERATIONS	7,090.38
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL MNGMNT AND OPERATIONS	-14,180.76
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL MNGMNT AND OPERATIONS	-50,925.98
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL OFFICES-1	12,632,726.00
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL OFFICES-1	5,278,000.00
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL OFFICES-1	1,825,196.00
25	SERVICES OF OTHER AGENCIES	DEPARTMENTAL OFFICES-4	45,455.00
25	MISCELLANEOUS SERVICES	DEVLIN JOSEPH	237.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DEZUBE PUBLICATIONS CORP.	17,350.00
25	ENGINEERING AND TECHNICAL SERVICES	DEZUBE PUBLICATIONS CORP.	7,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DEZUBE PUBLICATIONS CORP.	3,300.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	DEZUBE PUBLICATIONS CORP.	2,756.25
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	70,000.00
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	37,000.00
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	36,000.00
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	30,000.00
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	15,000.00
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	15,000.00
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	12,000.00
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	9,900.00

25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	4,900.00
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	3,000.00
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	2,500.00
25	ENGINEERING AND TECHNICAL SERVICES	DIGITAL FIREFLY MARKETING	2,000.00
25	MISCELLANEOUS SERVICES	DONOGHUE KRISTEN A	179.00
25	COMMERCIAL TRAINING	DPT CONSULTING GROUP INC.	14,500.00
25	SERVICES OF OTHER AGENCIES	ENVIRONMENTAL PROTECTION AGENCY-3	5,000.00
31	SOFTWARE-NON-CAPITALIZED	ENVIRONMENTAL SYS RESEARCH INST INC	18,150.00
25	SERVICES OF OTHER AGENCIES	EQUAL EMPLOYMNT OPPORTUNITY COMM	19,450.00
25	ENGINEERING AND TECHNICAL SERVICES	EXCELLA CONSULTING INC.	113,038.50
25	ENGINEERING AND TECHNICAL SERVICES	EXCELLA CONSULTING INC.	89,868.80
25	ENGINEERING AND TECHNICAL SERVICES	EXCELLA CONSULTING INC.	86,253.30
25	ENGINEERING AND TECHNICAL SERVICES	EXCELLA CONSULTING INC.	66,700.00
25	ENGINEERING AND TECHNICAL SERVICES	EXCELLA CONSULTING INC.	55,800.00
25	ENGINEERING AND TECHNICAL SERVICES	EXPERIAN INFORMATION SOLUTINS INC-1	1,622,800.00
31	ADP EQUIPMENT-CAPITALIZED	FCN INC.	645,761.30
31	ADP EQUIPMENT-CAPITALIZED	FCN INC.	516,161.24
31	SOFTWARE-NON-CAPITALIZED	FCN INC.	93,530.80
31	ADP EQUIPMENT-CAPITALIZED	FCN INC.	82,146.30
31	ADP EQUIPMENT-CAPITALIZED	FCN INC.	47,453.76
31	ADP EQUIPMENT-NON-CAPITALIZED	FCN INC.	6,682.34
31	ADP EQUIPMENT-NON-CAPITALIZED	FCN INC.	4,533.19
31	ADP EQUIPMENT-NON-CAPITALIZED	FCN INC.	1,002.35
31	ADP EQUIPMENT-NON-CAPITALIZED	FCN INC.	125.39
31	ADP EQUIPMENT-NON-CAPITALIZED	FCN INC.	1.90
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	FEDERAL ACQUISITION RESOURCES INC	6,761.01
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	FEDERAL ACQUISITION RESOURCES INC	9.77
25	SERVICES OF OTHER AGENCIES	FEDERAL DEPOSIT INSURANCE CORP-1	140,635.69
25	SERVICES OF OTHER AGENCIES	FEDERAL DEPOSIT INSURANCE CORP-1	47,406.40
25	RENTAL PAYMENTS TO FEDERAL AGENCIES	FEDERAL HOUSING FINANCE AGENCY	2,820,636.00
25	SERVICES OF OTHER AGENCIES	FEDERAL HOUSING FINANCE AGENCY	2,000,000.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	FEDERAL HOUSING FINANCE AGENCY	1,604.00
25	COMMERCIAL TRAINING	FEDERAL MANAGEMENT PARTNERS INC	150,481.80
25	COMMERCIAL TRAINING	FEDERAL MANAGEMENT PARTNERS INC	120,718.03
25	COMMERCIAL TRAINING	FEDERAL MANAGEMENT PARTNERS INC	94,686.90
25	COMMERCIAL TRAINING	FEDERAL MANAGEMENT PARTNERS INC	88,127.78
25	COMMERCIAL TRAINING	FEDERAL MANAGEMENT PARTNERS INC	53,218.50
25	COMMERCIAL TRAINING	FEDERAL MANAGEMENT PARTNERS INC	53,218.50
25	COMMERCIAL TRAINING	FEDERAL MANAGEMENT PARTNERS INC	24,143.48
25	SERVICES OF OTHER AGENCIES	FEDERAL MARITIME COMMISSION-1	41,704.18
31	OTHER EQUIPMENT-NON CAPITALIZED	FEDERAL PRISON INDUSTRIES INC	55,723.00
31	OTHER EQUIPMENT-NON CAPITALIZED	FEDERAL PRISON INDUSTRIES INC	14,080.00
31	TELECOMMUNICATIONS EQUIPMENT-NON-CAPITALIZED	FEDERAL RADIO SERVICE CORP.	4,257.50
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	FEDERAL RESRV SYSTM RET PLN TR ACCT	885,250.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	FEDERAL RESRV SYSTM RET PLN TR ACCT	709,923.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	FEDERAL RESRV SYSTM RET PLN TR ACCT	-709,923.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	FEDERAL RESRV SYSTM RET PLN TR ACCT	-885,250.00
25	ENGINEERING AND TECHNICAL SERVICES	FEDERAL WORKING GROUP INC.	149,635.20
25	ENGINEERING AND TECHNICAL SERVICES	FEDERAL WORKING GROUP INC.	149,635.20
25	ENGINEERING AND TECHNICAL SERVICES	FEDERAL WORKING GROUP INC.	1.40
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	409,000.00
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	244,400.00
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	116,922.60
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	49,691.75
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	12,991.40
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	35.92
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	30.61
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	25.78
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	24.74
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	10.17
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	7.89
25	ENGINEERING AND TECHNICAL SERVICES	FEDSOLVE LLC	5.08
31	ADP EQUIPMENT-CAPITALIZED	FEDSTORE CORPORATION	582,631.50
31	ADP EQUIPMENT-CAPITALIZED	FEDSTORE CORPORATION	356,774.09
31	ADP EQUIPMENT-CAPITALIZED	FEDSTORE CORPORATION	125,059.00
31	ADP EQUIPMENT-NON-CAPITALIZED	FEDSTORE CORPORATION	110,109.27
31	ADP EQUIPMENT-NON-CAPITALIZED	FEDSTORE CORPORATION	71,510.36
31	ADP EQUIPMENT-CAPITALIZED	FEDSTORE CORPORATION	59,978.13
31	ADP EQUIPMENT-NON-CAPITALIZED	FEDSTORE CORPORATION	51,093.89
31	ADP EQUIPMENT-NON-CAPITALIZED	FEDSTORE CORPORATION	44,065.50
31	ADP EQUIPMENT-NON-CAPITALIZED	FEDSTORE CORPORATION	28,379.64
31	OTHER EQUIPMENT-CAPITALIZED	FEDSTORE CORPORATION	26,393.44
31	ADP EQUIPMENT-NON-CAPITALIZED	FEDSTORE CORPORATION	25,546.95
31	ADP EQUIPMENT-CAPITALIZED	FEDSTORE CORPORATION	9,338.00
31	ADP EQUIPMENT-CAPITALIZED	FEDSTORE CORPORATION	2,621.84
25	MISCELLANEOUS SERVICES	FEDSTORE CORPORATION	1,482.77
25	MISCELLANEOUS SERVICES	FEDSTORE CORPORATION	198.29
25	MISCELLANEOUS SERVICES	FEDSTORE CORPORATION	85.68
31	ADP EQUIPMENT-CAPITALIZED	FEDSTORE CORPORATION	43.15
31	ADP EQUIPMENT-CAPITALIZED	FEDSTORE CORPORATION	0.20
25	COMMERCIAL TRAINING	FIDELITY NATIONAL INFORM SCVS INC.	50,000.00
25	ENGINEERING AND TECHNICAL SERVICES	FLEISHMAN-HILLARD INC.	122,513.17
31	ADP EQUIPMENT-CAPITALIZED	FORCE 3 INC.	122,129.58
31	ADP EQUIPMENT-NON-CAPITALIZED	FORCE 3 INC.	-122,129.58

25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	FRB OF NEW YORK	1,231,096.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	FRB OF NEW YORK	885,250.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	FRB OF NEW YORK	173,675.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	FRB OF NEW YORK	-125,712.71
25	STUDIES, ANALYSES, AND EVALUATIONS	FREEMAN IRIS C	25,000.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	942,500.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	942,500.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	209,657.02
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	209,657.02
25	MISCELLANEOUS SERVICES	G4S INTEGRATED FACILITIES SRVCS LLC	193,304.48
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	163,500.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	163,500.00
25	MISCELLANEOUS SERVICES	G4S INTEGRATED FACILITIES SRVCS LLC	103,304.48
25	MISCELLANEOUS SERVICES	G4S INTEGRATED FACILITIES SRVCS LLC	90,000.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	76,000.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	76,000.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	50,000.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	50,000.00
25	MISCELLANEOUS SERVICES	G4S INTEGRATED FACILITIES SRVCS LLC	29,529.00
25	MISCELLANEOUS SERVICES	G4S INTEGRATED FACILITIES SRVCS LLC	29,529.00
25	MISCELLANEOUS SERVICES	G4S INTEGRATED FACILITIES SRVCS LLC	27,166.50
25	MISCELLANEOUS SERVICES	G4S INTEGRATED FACILITIES SRVCS LLC	27,166.50
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	8,343.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	8,343.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	-8,343.00
25	MISCELLANEOUS SERVICES	G4S INTEGRATED FACILITIES SRVCS LLC	-27,166.50
25	MISCELLANEOUS SERVICES	G4S INTEGRATED FACILITIES SRVCS LLC	-29,529.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	-50,000.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	-76,000.00
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	-163,500.00
25	MISCELLANEOUS SERVICES	G4S INTEGRATED FACILITIES SRVCS LLC	-193,304.48
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	-209,657.02
25	REPAIRS AND MAINTENANCE	G4S INTEGRATED FACILITIES SRVCS LLC	-942,500.00
31	SOFTWARE-CAPITALIZED	GENERAL DYNAMICS INFO TECH INC	1,312,392.00
31	SOFTWARE-NON-CAPITALIZED	GITHUB INC.	12,027.00
25	MISCELLANEOUS SERVICES	GITHUB INC.	10,000.00
25	MISCELLANEOUS SERVICES	GITHUB INC.	-10,000.00
25	MISCELLANEOUS SERVICES	GLASCO ERIN K	150.00
25	MISCELLANEOUS SERVICES	GOLEZ RAYMUND D	35.00
25	SERVICES OF OTHER AGENCIES	GOVERNMENT ACCOUNTABILITY OFFICE	1,090,000.00
25	SERVICES OF OTHER AGENCIES	GOVERNMENT ETHICS OFFICE OF	56,000.00
25	SERVICES OF OTHER AGENCIES	GOVERNMENT ETHICS OFFICE OF	50,485.00
31	SOFTWARE-NON-CAPITALIZED	GOVERNMENT MKTING AND PRCREMENT LLC	23,620.00
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	GRAEBEL VAN LINES INC.	6,000.00
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	GRAEBEL VAN LINES INC.	3,500.00
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	GRAEBEL VAN LINES INC.	3,225.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	GRAEBEL VAN LINES INC.	1,500.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	GRAEBEL VAN LINES INC.	1,500.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	GRAEBEL VAN LINES INC.	550.00
25	SERVICES OF OTHER AGENCIES	GSA FAS NATIONAL IT PROGRAM	50,000.00
25	SERVICES OF OTHER AGENCIES	GSA FAS NATIONAL IT PROGRAM	50,000.00
25	SERVICES OF OTHER AGENCIES	GSA FAS NATIONAL IT PROGRAM	50,000.00
25	SERVICES OF OTHER AGENCIES	GSA HEARTLAND FINANCE CENTER 6BC	164,000.00
25	SERVICES OF OTHER AGENCIES	GSA HEARTLAND FINANCE CENTER 6BC	164,000.00
25	SERVICES OF OTHER AGENCIES	GSA HEARTLAND FINANCE CENTER 6BC	90,867.00
25	MISCELLANEOUS SERVICES	GSA HEARTLAND FINANCE CENTER 6BC	4,461.00
25	SERVICES OF OTHER AGENCIES	GSA HEARTLAND FINANCE CENTER 6BC	592.75
25	SERVICES OF OTHER AGENCIES	GSA HEARTLAND FINANCE CENTER 6BC	-592.75
25	MISCELLANEOUS SERVICES	GSA HEARTLAND FINANCE CENTER 6BC	-4,461.00
25	SERVICES OF OTHER AGENCIES	GSA HEARTLAND FINANCE CENTER 6BC	-164,000.00
25	MISCELLANEOUS SERVICES	HILTON HOTELS CORPORATION-7	33,940.00
25	MISCELLANEOUS SERVICES	HILTON SAN FRANCISCO FINANCIAL	11,535.44
25	MISCELLANEOUS SERVICES	HISPANIC ASSOC OF COLL & UNIV	2,257.00
25	MISCELLANEOUS SERVICES	HISPANIC ASSOC OF COLL & UNIV	-2,257.00
31	SECURITY EQUIPMENT-NON-CAPITALIZED	HP ENTERPRISE SERVICES LLC	29,144.70
31	TELECOMMUNICATIONS EQUIPMENT-NON-CAPITALIZED	HUDDLESTON BICKFORD PAMELA	35,145.00
31	TELECOMMUNICATIONS EQUIPMENT-NON-CAPITALIZED	HUDDLESTON BICKFORD PAMELA	10,705.00
31	ADP EQUIPMENT-NON-CAPITALIZED	HUDDLESTON BICKFORD PAMELA	9,675.00
31	OTHER EQUIPMENT-NON CAPITALIZED	HUDDLESTON BICKFORD PAMELA	6,250.00
31	TELECOMMUNICATIONS EQUIPMENT-NON-CAPITALIZED	HUDDLESTON BICKFORD PAMELA	1,875.00
31	TELECOMMUNICATIONS EQUIPMENT-NON-CAPITALIZED	HUDDLESTON BICKFORD PAMELA	1,220.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	HUMAN RELATIONS COMMISSION PENNSYLV	37,953.75
25	ENGINEERING AND TECHNICAL SERVICES	ICF INCORPORATED L.L.C.	124,602.00
25	STUDIES, ANALYSES, AND EVALUATIONS	ICF INCORPORATED L.L.C.	121,330.00
25	STUDIES, ANALYSES, AND EVALUATIONS	ICF INCORPORATED L.L.C.	17,366.00
25	STUDIES, ANALYSES, AND EVALUATIONS	IDEO LLC	937,601.16
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	IDEO LLC	810,000.00
31	SOFTWARE-CAPITALIZED	IDEO LLC	800,000.00
31	SOFTWARE-CAPITALIZED	IDEO LLC	200,000.00
31	SOFTWARE-CAPITALIZED	IDEO LLC	-937,601.16
25	STUDIES, ANALYSES, AND EVALUATIONS	IMMIXTECHNOLOGY INC.	401,615.69
31	SOFTWARE-NON-CAPITALIZED	IMMIXTECHNOLOGY INC.	42,982.00
25	ENGINEERING AND TECHNICAL SERVICES	IMMIXTECHNOLOGY INC.	26,446.96
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	IMMIXTECHNOLOGY INC.	6,344.44

31	ADP EQUIPMENT-NON-CAPITALIZED	INTELLIGENT DECISIONS INC.	25,845.95
25	SERVICES OF OTHER AGENCIES	INTERNAL REVENUE SERVICE-20	59,044.70
25	SERVICES OF OTHER AGENCIES	INTERNAL REVENUE SERVICE-20	28,900.00
25	SERVICES OF OTHER AGENCIES	INTERNAL REVENUE SERVICE-20	24,058.00
25	SERVICES OF OTHER AGENCIES	INTERNAL REVENUE SERVICE-20	21,000.00
25	SERVICES OF OTHER AGENCIES	INTERNAL REVENUE SERVICE-20	15,012.00
25	SERVICES OF OTHER AGENCIES	INTERNAL REVENUE SERVICE-20	3,701.00
25	SERVICES OF OTHER AGENCIES	INTERNAL REVENUE SERVICE-20	3,701.00
25	SERVICES OF OTHER AGENCIES	INTERNAL REVENUE SERVICE-20	-3,701.00
31	ADP EQUIPMENT-NON-CAPITALIZED	IRON BOW TECHNOLOGIES LLC	15,000.00
31	ADP EQUIPMENT-NON-CAPITALIZED	IRON BOW TECHNOLOGIES LLC	6,904.53
31	ADP EQUIPMENT-NON-CAPITALIZED	IRON BOW TECHNOLOGIES LLC	4,918.68
31	ADP EQUIPMENT-NON-CAPITALIZED	IRON BOW TECHNOLOGIES LLC	4,134.24
31	ADP EQUIPMENT-NON-CAPITALIZED	IRON BOW TECHNOLOGIES LLC	3,035.47
31	ADP EQUIPMENT-NON-CAPITALIZED	IRON BOW TECHNOLOGIES LLC	1,686.11
31	ADP EQUIPMENT-NON-CAPITALIZED	IRON BOW TECHNOLOGIES LLC	937.26
31	ADP EQUIPMENT-NON-CAPITALIZED	IRON BOW TECHNOLOGIES LLC	774.27
31	ADP EQUIPMENT-NON-CAPITALIZED	IRON BOW TECHNOLOGIES LLC	774.27
31	ADP EQUIPMENT-NON-CAPITALIZED	IRON BOW TECHNOLOGIES LLC	232.56
25	MISCELLANEOUS SERVICES	JACQUES STEPHEN C.	199.00
31	ADP EQUIPMENT-NON-CAPITALIZED	KASTLE SYSTEMS LLC	9,963.33
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	KASTLE SYSTEMS LLC	8,020.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	KASTLE SYSTEMS LLC	-1,604.00
25	MISCELLANEOUS SERVICES	KELLY ERIN MARY	218.00
25	STUDIES, ANALYSES, AND EVALUATIONS	KLEIMANN COMMUNICATION GROUP INC	294,818.00
25	STUDIES, ANALYSES, AND EVALUATIONS	KLEIMANN COMMUNICATION GROUP INC	292,921.48
25	STUDIES, ANALYSES, AND EVALUATIONS	KLEIMANN COMMUNICATION GROUP INC	211,603.50
25	STUDIES, ANALYSES, AND EVALUATIONS	KLEIMANN COMMUNICATION GROUP INC	98,000.00
25	STUDIES, ANALYSES, AND EVALUATIONS	KLEIMANN COMMUNICATION GROUP INC	49,877.00
25	STUDIES, ANALYSES, AND EVALUATIONS	KLEIMANN COMMUNICATION GROUP INC	49,567.00
25	STUDIES, ANALYSES, AND EVALUATIONS	KLEIMANN COMMUNICATION GROUP INC	25,441.00
25	MISCELLANEOUS SERVICES	KONOP BENJAMIN Z	209.00
25	MISCELLANEOUS SERVICES	LIEBENOW & TOROK INC.	9,458.00
31	SOFTWARE-NON-CAPITALIZED	LYME COMPUTER SYSTEMS INC.	98,833.76
31	SOFTWARE-NON-CAPITALIZED	LYME COMPUTER SYSTEMS INC.	-98,833.76
31	SOFTWARE-NON-CAPITALIZED	MAC BUSINESS SOLUTIONS INC.	20,200.00
25	ENGINEERING AND TECHNICAL SERVICES	MAC BUSINESS SOLUTIONS INC.	5,050.00
25	ENGINEERING AND TECHNICAL SERVICES	MAD POW MEDIA SOLUTIONS LLC	494,893.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	MALAVE ERICA I	40.75
25	MISCELLANEOUS SERVICES	MANAGEMENT SUPPORT TECHNOLOGY INC.	152,775.50
25	MISCELLANEOUS SERVICES	MANAGEMENT SUPPORT TECHNOLOGY INC.	152,775.50
25	MISCELLANEOUS SERVICES	MANAGEMENT SUPPORT TECHNOLOGY INC.	25,462.64
25	MISCELLANEOUS SERVICES	MANAGEMENT SUPPORT TECHNOLOGY INC.	-25,462.64
25	MISCELLANEOUS SERVICES	MANAGEMENT SUPPORT TECHNOLOGY INC.	-152,775.50
31	ADP EQUIPMENT-NON-CAPITALIZED	MARK V OFFICE FURNITURE CO.	13,739.00
31	ADP EQUIPMENT-NON-CAPITALIZED	MARK V OFFICE FURNITURE CO.	-6.72
25	MISCELLANEOUS SERVICES	MCCLELLAND PAMELA L	350.00
25	ENGINEERING AND TECHNICAL SERVICES	MERCOM INCORPORATED	16,000.00
25	MISCELLANEOUS SERVICES	MEWHORTER SHAWN	100.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MICROLINK LLC	400,000.00
25	ENGINEERING AND TECHNICAL SERVICES	MICROLINK LLC	296,640.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MICROLINK LLC	100,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MICROLINK LLC	100,000.00
25	MISCELLANEOUS SERVICES	MICROLINK LLC	89,300.00
25	ENGINEERING AND TECHNICAL SERVICES	MICROLINK LLC	89,228.95
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MICROLINK LLC	81,895.67
25	ENGINEERING AND TECHNICAL SERVICES	MICROLINK LLC	75,000.00
25	ENGINEERING AND TECHNICAL SERVICES	MICROLINK LLC	54,384.00
25	ENGINEERING AND TECHNICAL SERVICES	MICROLINK LLC	31,981.50
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MICROLINK LLC	40.07
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MICROLINK LLC	26.82
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MICROLINK LLC	22.57
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MICROLINK LLC	11.86
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MICROLINK LLC	5.42
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MIDTOWN PERSONNEL INC.	66,352.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	MIDTOWN PERSONNEL INC.	33,176.00
25	MISCELLANEOUS SERVICES	MORRIS LUCY E	27.00
25	REPAIRS AND MAINTENANCE	NASATKA BARRIER INCORPORATED	21,559.20
25	REPAIRS AND MAINTENANCE	NASATKA BARRIER INCORPORATED	11,671.74
25	REPAIRS AND MAINTENANCE	NASATKA BARRIER INCORPORATED	5,000.00
25	REPAIRS AND MAINTENANCE	NASATKA BARRIER INCORPORATED	3,278.20
25	REPAIRS AND MAINTENANCE	NASATKA BARRIER INCORPORATED	2,500.00
25	REPAIRS AND MAINTENANCE	NASATKA BARRIER INCORPORATED	1,800.00
25	SERVICES OF OTHER AGENCIES	NATIONAL ARCHIVES & RECORDS ADM	4,000.00
25	MISCELLANEOUS SERVICES	NATIONAL CONSUMER LAW CENTER INC.	5,187.00
25	DIRECT EXPENSES OF LOGISTICAL COSTS FOR HOSTING/ SPONSORING A CONFERENCE	NATIONAL CONSUMER LAW CENTER INC.	2,989.00
25	DIRECT EXPENSES OF LOGISTICAL COSTS FOR HOSTING/ SPONSORING A CONFERENCE	NATIONAL CONSUMER LAW CENTER INC.	2,989.00
25	COMMERCIAL TRAINING	NATIONAL INSTITUTE FOR TRIAL ADVOC	325,170.75
25	COMMERCIAL TRAINING	NATIONAL INSTITUTE FOR TRIAL ADVOC	65,312.50
25	STUDIES, ANALYSES, AND EVALUATIONS	NATIONAL OPINION RESEARCH CENTER	36,986.00
25	STUDIES, ANALYSES, AND EVALUATIONS	NATIONAL OPINION RESEARCH CENTER	19,325.00
25	STUDIES, ANALYSES, AND EVALUATIONS	NATIONAL OPINION RESEARCH CENTER	10,800.00
25	SERVICES OF OTHER AGENCIES	NATIONAL TECHNICAL INFORMATION SVC	37,425.00
25	SERVICES OF OTHER AGENCIES	NATIONAL TECHNICAL INFORMATION SVC	5,257.50

25	SERVICES OF OTHER AGENCIES	NATIONAL TECHNICAL INFORMATION SVC	660.00
25	SERVICES OF OTHER AGENCIES	NATL INST OF FOOD AND AGRICULTURE	6,470.00
25	SERVICES OF OTHER AGENCIES	NBC ADMINISTRATIVE OPERATIONS-2	124,000.00
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	3,000.00
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	2,500.00
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	2,025.00
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	2,010.50
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	1,911.00
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	1,905.00
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	1,622.50
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	875.11
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	344.75
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	221.40
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	-405.95
25	COURT REPORTING SERVICES	NEAL R GROSS AND COMPANY INC	-2,186.50
25	MISCELLANEOUS SERVICES	NEOPOST USA INC.	9,635.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT-NON ADP	NEOPOST USA INC.	1,013.00
25	MISCELLANEOUS SERVICES	NTL ASC FOR EQUAL OPPOR IN HGHR EDU	4,585.00
25	MISCELLANEOUS SERVICES	NTL ASC FOR EQUAL OPPOR IN HGHR EDU	3,036.00
25	SERVICES OF OTHER AGENCIES	OFF OF MANAGEMENT AND BUDGET	46,582.90
25	SERVICES OF OTHER AGENCIES	OFFICE OF FINANCIAL STABILITY	38,898.00
25	SERVICES OF OTHER AGENCIES	OFFICE OF FINANCIAL STABILITY	33,113.00
25	SERVICES OF OTHER AGENCIES	OFFICE OF FINANCIAL STABILITY	12,967.00
25	SERVICES OF OTHER AGENCIES	OFFICES BOARDS & DIVISIONS	650,000.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT-NON ADP	OMNI BUSNESS SYSTEMS-FAX PLUS INC-1	6,120.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT-NON ADP	OMNI BUSNESS SYSTEMS-FAX PLUS INC-1	4,282.94
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT-NON ADP	OMNI BUSNESS SYSTEMS-FAX PLUS INC-1	717.06
25	MISCELLANEOUS SERVICES	ORENSTEIN JOSHUA B	1,495.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	P3 PARTNERS LLC.	88,418.56
31	ADP EQUIPMENT-NON-CAPITALIZED	PC MALL GOV INC.-1	15,491.40
25	MISCELLANEOUS SERVICES	PCG ENTERPRISES INC	94,692.45
31	TELECOMMUNICATIONS EQUIPMENT-NON-CAPITALIZED	PEGASUS RADIO CORP.	10,218.00
25	SERVICES OF OTHER AGENCIES	PENSION BENEFIT GUARANTY CORPORATIO	84,745.00
25	SERVICES OF OTHER AGENCIES	PENSION BENEFIT GUARANTY CORPORATIO	45,652.00
25	STUDIES, ANALYSES, AND EVALUATIONS	PERSONNEL DECISIONS RSRCH INST INC	141,036.39
25	MISCELLANEOUS SERVICES	PERSONNEL DECISIONS RSRCH INST INC	20,000.00
25	SERVICES OF OTHER AGENCIES	PERSONNEL MANAGEMNT U S OFFICE OF	595,955.00
25	SERVICES OF OTHER AGENCIES	PERSONNEL MANAGEMNT U S OFFICE OF	91,000.00
25	SERVICES OF OTHER AGENCIES	PERSONNEL MANAGEMNT U S OFFICE OF	64,000.00
25	SERVICES OF OTHER AGENCIES	PERSONNEL MANAGEMNT U S OFFICE OF	29,600.00
25	SERVICES OF OTHER AGENCIES	PERSONNEL MANAGEMNT U S OFFICE OF	11,000.00
25	MISCELLANEOUS SERVICES	PLUTA SCOTT DONALD	255.00
25	MISCELLANEOUS SERVICES	POMERANTZ ACQUISITION CORP.	17,100.72
31	OTHER EQUIPMENT-NON CAPITALIZED	POMERANTZ ACQUISITION CORP.	7,500.00
25	COMMERCIAL TRAINING	PORTER NOVELLI PUBLIC SERVICES INC.	5,999.88
25	MISCELLANEOUS SERVICES	POUND ABIGAIL J	209.00
25	MISCELLANEOUS SERVICES	PREFERRED OFFICE NETWORK	1,224,259.52
25	MISCELLANEOUS SERVICES	PREFERRED OFFICE NETWORK	45,900.00
25	MISCELLANEOUS SERVICES	PREFERRED OFFICE NETWORK	11,637.81
25	MISCELLANEOUS SERVICES	PREFERRED OFFICE NETWORK	11,637.81
25	MISCELLANEOUS SERVICES	PREFERRED OFFICE NETWORK	11,637.80
25	MISCELLANEOUS SERVICES	PREFERRED OFFICE NETWORK	10,000.00
25	MISCELLANEOUS SERVICES	PREFERRED OFFICE NETWORK	9,250.00
25	MISCELLANEOUS SERVICES	PREFERRED OFFICE NETWORK	4.55
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	PRICEWATERHOUSECOOPERS LLP-1	10,286,497.00
25	ENGINEERING AND TECHNICAL SERVICES	PRICEWATERHOUSECOOPERS LLP-1	3,730,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	PRICEWATERHOUSECOOPERS LLP-1	1,370,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	PRICEWATERHOUSECOOPERS LLP-1	1,341,209.65
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	PRICEWATERHOUSECOOPERS LLP-1	308,790.35
25	MISCELLANEOUS SERVICES	PRICEWATERHOUSECOOPERS LLP-1	100,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	PROFESSIONAL SVCS OF AMERICA INC	76,876.80
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	PROFESSIONAL SVCS OF AMERICA INC	73,920.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	PROFESSIONAL SVCS OF AMERICA INC	66,528.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	PROFESSIONAL SVCS OF AMERICA INC	41,361.60
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	PROFESSIONAL SVCS OF AMERICA INC	36,960.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	PROFESSIONAL SVCS OF AMERICA INC	36,960.00
25	COURT REPORTING SERVICES	PROXY PERSONNEL LLC	2,297.55
25	COURT REPORTING SERVICES	PROXY PERSONNEL LLC	2,246.85
25	COURT REPORTING SERVICES	PROXY PERSONNEL LLC	1,295.30
25	COURT REPORTING SERVICES	PROXY PERSONNEL LLC	1,249.00
25	COURT REPORTING SERVICES	PROXY PERSONNEL LLC	498.67
25	COURT REPORTING SERVICES	PROXY PERSONNEL LLC	134.43
25	ENGINEERING AND TECHNICAL SERVICES	PYRAMID SYSTEMS INC.	152,018.54
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT-NON ADP	QUANTA SYSTEMS LLC	7,450.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT-NON ADP	QUANTA SYSTEMS LLC	3,000.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT-NON ADP	QUANTA SYSTEMS LLC	3,000.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT-NON ADP	QUANTA SYSTEMS LLC	-3,000.00
31	ADP EQUIPMENT-CAPITALIZED	QWEST GOVERNMENT SERVICES INC-1	500,000.00
25	STUDIES, ANALYSES, AND EVALUATIONS	RAND CORPORATION THE	523,268.00
25	MISCELLANEOUS SERVICES	RED COATS INC.	23,400.00
25	ENGINEERING AND TECHNICAL SERVICES	ROCK CREEK PUBLISHING GROUP	349,998.55
25	ENGINEERING AND TECHNICAL SERVICES	ROCK CREEK PUBLISHING GROUP	199,687.50
25	ENGINEERING AND TECHNICAL SERVICES	ROCK CREEK PUBLISHING GROUP	126.50
25	MISCELLANEOUS SERVICES	RUBIN RONALD LEWIS	995.00

25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	SCHATZ PUBLISHING GROUP LLC	20,054.93
25	MISCELLANEOUS SERVICES	SECTEK INC.	459,061.28
25	MISCELLANEOUS SERVICES	SECTEK INC.	63,938.72
25	MISCELLANEOUS SERVICES	SECTEK INC.	61,969.05
31	ADP EQUIPMENT-NON-CAPITALIZED	SHARP ELECTRONICS CORPORATION-5	49,000.00
31	ADP EQUIPMENT-NON-CAPITALIZED	SHARP ELECTRONICS CORPORATION-5	20,500.00
31	ADP EQUIPMENT-NON-CAPITALIZED	SIGNET COMPUTERS INC	26,944.40
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	SIMONIK TRANS AND WRHSING GRP LLC	2,600.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	SIMONIK TRANS AND WRHSING GRP LLC	1,200.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	SKIDMORE OWINGS & MERRILL LLP	1,147,687.00
25	ENGINEERING AND TECHNICAL SERVICES	SMARTRONIX INC.	2,400,000.00
25	ENGINEERING AND TECHNICAL SERVICES	SMARTRONIX INC.	892,699.00
25	ENGINEERING AND TECHNICAL SERVICES	SMARTRONIX INC.	681,164.72
25	ENGINEERING AND TECHNICAL SERVICES	SMARTRONIX INC.	681,164.72
25	ENGINEERING AND TECHNICAL SERVICES	SMARTRONIX INC.	56,401.66
25	ENGINEERING AND TECHNICAL SERVICES	SMARTRONIX INC.	124.71
25	ENGINEERING AND TECHNICAL SERVICES	SMARTRONIX INC.	-56,401.66
25	ENGINEERING AND TECHNICAL SERVICES	SMARTRONIX INC.	-681,164.72
25	STUDIES, ANALYSES, AND EVALUATIONS	SNL FINANCIAL LC	95,000.00
31	SOFTWARE-NON-CAPITALIZED	SPECIAL OPERATIONS SOFTWARE INC	18,620.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	SPECIAL OPERATIONS SOFTWARE INC	3,723.96
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	STARCK VAN LINES INC.	5,500.00
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	STARCK VAN LINES INC.	4,500.00
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	STARCK VAN LINES INC.	2,500.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	STARCK VAN LINES INC.	1,500.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	STARCK VAN LINES INC.	1,500.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	STARCK VAN LINES INC.	700.00
31	SOFTWARE-NON-CAPITALIZED	STATACORP LP	5,445.00
25	MISCELLANEOUS SERVICES	STERLING COMPUTERS CORPORATION	7.67
31	SOFTWARE-NON-CAPITALIZED	SWORD & SHIELD ENTERPRISE SEC INC.	7,579.44
31	SOFTWARE-NON-CAPITALIZED	SWORD & SHIELD ENTERPRISE SEC INC.	3,460.70
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	SWORD & SHIELD ENTERPRISE SEC INC.	2,979.19
31	SOFTWARE-NON-CAPITALIZED	SWORD & SHIELD ENTERPRISE SEC INC.	2,376.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	SWORD & SHIELD ENTERPRISE SEC INC.	1,430.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	SWORD & SHIELD ENTERPRISE SEC INC.	1,170.00
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	SWORD & SHIELD ENTERPRISE SEC INC.	730.40
31	SOFTWARE-NON-CAPITALIZED	SYNAPTEC SOFTWARE INC	227,652.00
31	SOFTWARE-NON-CAPITALIZED	SYNAPTEC SOFTWARE INC	70,800.00
31	SOFTWARE-NON-CAPITALIZED	SYNAPTEC SOFTWARE INC	16.09
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	THE BOSTON CONSULTING GROUP INC	474,767.88
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	THE GREENLINING INSTITUTE	85,673.68
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	TOWERS WATSON DELAWARE INC.	671,284.48
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	TOWERS WATSON DELAWARE INC.	614,252.75
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	TOWERS WATSON DELAWARE INC.	155,277.81
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	TOWERS WATSON DELAWARE INC.	146,202.36
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	TOWERS WATSON DELAWARE INC.	98,602.56
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	TOWERS WATSON DELAWARE INC.	76,468.80
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	TOWERS WATSON DELAWARE INC.	76,468.80
25	COMMERCIAL TRAINING	TRAINING THE STREET INC	23,800.00
25	COMMERCIAL TRAINING	TRAINING THE STREET INC	15,300.00
25	COMMERCIAL TRAINING	TRAINING THE STREET INC	7,500.00
31	ADP EQUIPMENT-CAPITALIZED	TRANSCENDENCE INC.	242,134.59
31	ADP EQUIPMENT-NON-CAPITALIZED	TRANSCENDENCE INC.	72,110.96
31	ADP EQUIPMENT-NON-CAPITALIZED	TRANSCENDENCE INC.	18,805.56
31	ADP EQUIPMENT-NON-CAPITALIZED	TRANSCENDENCE INC.	4,668.42
31	SOFTWARE-NON-CAPITALIZED	TRANSCENDENCE INC.	4,590.00
25	MISCELLANEOUS SERVICES	TRANSCENDENCE INC.	2,010.00
25	SERVICES OF OTHER AGENCIES	TRANSPORTATION SECURITY ADMINIS	38,471.94
25	SERVICES OF OTHER AGENCIES	TRANSPORTATION SECURITY ADMINIS	38,471.94
25	SERVICES OF OTHER AGENCIES	TRANSPORTATION SECURITY ADMINIS	-38,471.94
25	SERVICES OF OTHER AGENCIES	TREASURY FRANCHISE FUND US-4	4,347,055.00
25	SERVICES OF OTHER AGENCIES	TREASURY FRANCHISE FUND US-4	1,369,577.00
25	SERVICES OF OTHER AGENCIES	TREASURY FRANCHISE FUND US-4	1,117,179.00
25	SERVICES OF OTHER AGENCIES	TREASURY FRANCHISE FUND US-4	771,394.00
25	SERVICES OF OTHER AGENCIES	TREASURY FRANCHISE FUND US-4	16,837.00
25	SERVICES OF OTHER AGENCIES	TREASURY FRANCHISE FUND US-4	4,000.00
25	SERVICES OF OTHER AGENCIES	TREASURY FRANCHISE FUND US-4	1.00
25	SERVICES OF OTHER AGENCIES	TREASURY FRANCHISE FUND US-4	1.00
31	SOFTWARE-NON-CAPITALIZED	TRIAD TECHNOLOGY PARTNERS LLC	117,760.00
31	SOFTWARE-NON-CAPITALIZED	TRIAD TECHNOLOGY PARTNERS LLC	59,583.00
31	SOFTWARE-NON-CAPITALIZED	TRIAD TECHNOLOGY PARTNERS LLC	6,400.00
25	MISCELLANEOUS SERVICES	TRUSTED HAND SERVICE INC.	135,761.78
25	REPAIRS AND MAINTENANCE	TRUSTED HAND SERVICE INC.	135,261.77
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	TURNER CONSULTING GROUP INC.	979,191.60
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	TURNER CONSULTING GROUP INC.	74,878.60
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	TURNER CONSULTING GROUP INC.	20,716.02
25	SERVICES OF OTHER AGENCIES	U S DEPT OF HEALTH & HUMAN SERVICES	49,000.00
25	SERVICES OF OTHER AGENCIES	U.S. SECURITIES & EXCHANGE COMM	65,908.24
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	UNIVERSITY OF CONNECTICUT-1	72,133.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	UNIVERSITY OF UTAH THE	283,500.00
25	ENGINEERING AND TECHNICAL SERVICES	URBAN INSTITUTE (THE)	648,747.00
25	ENGINEERING AND TECHNICAL SERVICES	URBAN INSTITUTE (THE)	300,000.00
25	ENGINEERING AND TECHNICAL SERVICES	URBAN INSTITUTE (THE)	153,953.00
31	SOFTWARE-CAPITALIZED	VANGENT INC.-1	5,204,287.73

25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	VANGENT INC.-1	1,500,000.00
31	SOFTWARE-CAPITALIZED	VANGENT INC.-1	1,500,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	VANGENT INC.-1	1,000,000.00
31	SOFTWARE-CAPITALIZED	VANGENT INC.-1	5,847.27
31	SOFTWARE-CAPITALIZED	VANGENT INC.-1	3.00
31	SOFTWARE-CAPITALIZED	VANGENT INC.-1	-800,000.00
25	MISCELLANEOUS SERVICES	VISION TECHNOLOGIES INC.	30,753.26
25	MISCELLANEOUS SERVICES	VISION TECHNOLOGIES INC.	29,797.78
25	REPAIRS AND MAINTENANCE	VISION TECHNOLOGIES INC.	17,940.88
25	MISCELLANEOUS SERVICES	VISION TECHNOLOGIES INC.	9,642.00
25	REPAIRS AND MAINTENANCE	VISION TECHNOLOGIES INC.	7,285.44
31	OTHER EQUIPMENT-NON CAPITALIZED	W. B. MASON CO. INC.	92,861.25
25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	WANG JIALAN	2,000.00
25	STORAGE OF HOUSEHOLD GOODS - TAXABLE (DOMESTIC)	WANG JIALAN	1,000.00
31	ADP EQUIPMENT-NON-CAPITALIZED	WEBER COMPUTER SUPPLY COMPANY	1,100.00
25	ENGINEERING AND TECHNICAL SERVICES	WEST PUBLISHING CORPORATION	11,544.00
25	ENGINEERING AND TECHNICAL SERVICES	WEST PUBLISHING CORPORATION	954.84
25	ENGINEERING AND TECHNICAL SERVICES	WILLOW WOOD CONSULTING LLC	7,578.20
25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	WILLOW WOOD CONSULTING LLC	2,807.35
25	MISCELLANEOUS SERVICES	WORKING CAPITAL FUND	4,154,073.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	2,255,009.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	2,255,009.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	2,255,009.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	1,711,369.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	1,711,369.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	1,711,369.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	184,971.88
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	184,081.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	184,081.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	176,077.29
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	140,378.66
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	15,099.63
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	8,003.71
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	3,617.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	3,617.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	296.69
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-296.69
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-3,617.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-8,003.71
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-15,099.63
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-140,378.66
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-184,081.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-184,081.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-184,971.88
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-1,711,369.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-1,711,369.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-2,255,009.00
25	SERVICES OF OTHER AGENCIES	WORKING CAPITAL FUND	-2,255,009.00
25	MISCELLANEOUS SERVICES	WORKING CAPITAL FUND	-4,154,073.00
31	ADP EQUIPMENT-NON-CAPITALIZED	XEROX CORPORATION-14	9,350.04
25	MISCELLANEOUS SERVICES	XEROX CORPORATION-14	9,000.00
25	MISCELLANEOUS SERVICES	XEROX CORPORATION-14	2,000.00
25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	ZEIDERS ENTERPRISES INC.	63,332.56

Attachment C

FY 2013 OTHER CONTRACTUAL SERVICES AND EQUIPMENT

Vendor	MOC	Description	Total Amount
1ST CHOICE STAFFING LLC	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	9,440.00
A+ GOVERNMENT SOLUTIONS INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	141,504.48
A+ GOVERNMENT SOLUTIONS INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	64,908.74
A+ GOVERNMENT SOLUTIONS INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	54,424.80
A+ GOVERNMENT SOLUTIONS INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	50,565.04
A+ GOVERNMENT SOLUTIONS INC.	25	STUDIES, ANALYSES, AND EVALUATIONS	39,029.00
A+ GOVERNMENT SOLUTIONS INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	27,263.14
AFFIGENT LLC	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	9,146.47
AGRICULTURE UNITED STATES DEPT OF	25	SERVICES OF OTHER AGENCIES	123,900.00
AGRICULTURE UNITED STATES DEPT OF	25	SERVICES OF OTHER AGENCIES	66,200.00
AGRICULTURE UNITED STATES DEPT OF	25	SERVICES OF OTHER AGENCIES	700.00
AGRICULTURE UNITED STATES DEPT OF	25	SERVICES OF OTHER AGENCIES	-700.00
ALVAREZ & ASSOCIATES LLC-1	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	18,977.44
ANDERSON MARGARET DAWN	25	MISCELLANEOUS SERVICES	400.00
AON CONSULTING INC.-1	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	99,356.93
ARIZONA STATE UNIVERSITY-1	25	COMMERCIAL TRAINING	50,000.00
ARIZONA STATE UNIVERSITY-1	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	36,288.00
ARIZONA STATE UNIVERSITY-1	31	SOFTWARE-NON-CAPITALIZED	25,000.00
ARIZONA STATE UNIVERSITY-1	25	MISCELLANEOUS SERVICES	18,192.00
BLDS LLC	25	STUDIES, ANALYSES, AND EVALUATIONS	88,500.00
BLUE TECH INC.	31	SOFTWARE-NON-CAPITALIZED	18,064.44
BLUE TECH INC.	31	SOFTWARE-NON-CAPITALIZED	13,435.19
BLUE TECH INC.	31	SOFTWARE-NON-CAPITALIZED	5,620.18
BLUE TECH INC.	31	SOFTWARE-NON-CAPITALIZED	896.51
BOARD OF GOV OF THE FED RES SYS THE	25	SERVICES OF OTHER AGENCIES	489,567.00
BOARD OF GOV OF THE FED RES SYS THE	25	SERVICES OF OTHER AGENCIES	216,496.00
BOARD OF GOV OF THE FED RES SYS THE	25	SERVICES OF OTHER AGENCIES	559.00
BOOZ ALLEN HAMILTON INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	1,176,539.85
BOOZ ALLEN HAMILTON INC.	25	STUDIES, ANALYSES, AND EVALUATIONS	181,404.70
BRATTLE GROUP INC. THE	25	STUDIES, ANALYSES, AND EVALUATIONS	319,820.00
CAZADOR LLC	25	MISCELLANEOUS SERVICES	3,204.40
CBCINNOVIS INC.	25	MISCELLANEOUS SERVICES	6,565.00
CETRA INC.	25	MISCELLANEOUS SERVICES	15,045.23
CLC COMPLIANCE TECHNOLOGIES INC.	25	STUDIES, ANALYSES, AND EVALUATIONS	185,545.00
COMPTROLLER OF THE CURR OFC OF THE	25	SERVICES OF OTHER AGENCIES	10,000.00
CONVERGE NETWORKS CORPORATION	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	99,200.00
CONVERGE NETWORKS CORPORATION	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	91,353.60
COOLGRAPHICSTUFF.COM	31	ADP EQUIPMENT-NON-CAPITALIZED	4,720.00
DAVIS AUDREY ROBINETTE	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	16,333.35
DAVIS AUDREY ROBINETTE	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	-326.67
DELOITTE & TOUCHE L.L.P.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	206,611.43
DELOITTE & TOUCHE L.L.P.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	24,000.00
DELOITTE CONSULTING LLP	25	STUDIES, ANALYSES, AND EVALUATIONS	12,400.00
DELOITTE CONSULTING LLP	25	STUDIES, ANALYSES, AND EVALUATIONS	12,400.00
DEPARTMENT OF LABOR-4	25	MISCELLANEOUS SERVICES	12,257.00
DEPARTMENT OF LABOR-4	25	SERVICES OF OTHER AGENCIES	12,257.00
DEPARTMENT OF LABOR-4	25	SERVICES OF OTHER AGENCIES	9,433.31
DEPARTMENT OF LABOR-4	25	MISCELLANEOUS SERVICES	-12,257.00
DEPARTMENTAL OFFICES-1	25	SERVICES OF OTHER AGENCIES	6,693,700.00
DEPARTMENTAL OFFICES-1	25	SERVICES OF OTHER AGENCIES	2,433,060.00
DEPARTMENTAL OFFICES-1	25	SERVICES OF OTHER AGENCIES	882,722.00
DEPT OF JUSTICE CIVIL RIGHTS	25	SERVICES OF OTHER AGENCIES	82,560.06
DEZUBE PUBLICATIONS CORP.	25	STUDIES, ANALYSES, AND EVALUATIONS	95,875.00
EN POINTE GOV INC	31	SOFTWARE-NON-CAPITALIZED	14,500.26
ENVIRONMENTAL SYS RESEARCH INST INC	25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	3,773.00
ENVIRONMENTAL SYS RESEARCH INST INC	25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	1,556.00
EPLUS TECHNOLOGY INC.	25	ENGINEERING AND TECHNICAL SERVICES	4,120.56
EQUAL EMPLOYMINT OPPORTUNITY COMM	25	SERVICES OF OTHER AGENCIES	30,094.00
EXCELLA CONSULTING INC.	31	SOFTWARE-CAPITALIZED	1,059,687.20
EXCELLA CONSULTING INC.	25	ENGINEERING AND TECHNICAL SERVICES	32,858.40
EXCELLA CONSULTING INC.	25	ENGINEERING AND TECHNICAL SERVICES	21,905.60
EXPERIAN INFORMATION SOLUTINS INC-1	25	MISCELLANEOUS SERVICES	4,984.20
FEDERAL CITIZEN INFORMTN CNTR (XCC)	25	SERVICES OF OTHER AGENCIES	75,000.00
FEDERAL MANAGEMENT PARTNERS INC	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	883,253.00
FEDERAL MANAGEMENT PARTNERS INC	25	COMMERCIAL TRAINING	156,932.62
FEDERAL MANAGEMENT PARTNERS INC	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	6,938.70
FEDERAL MANAGEMENT PARTNERS INC	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	5,782.50
FEDERAL MARITIME COMMISSION-1	25	SERVICES OF OTHER AGENCIES	12,277.12
FEDSOLVE LLC	25	ENGINEERING AND TECHNICAL SERVICES	616,122.00
FEDSOLVE LLC	25	ENGINEERING AND TECHNICAL SERVICES	12,992.00
FEDSOLVE LLC	25	ENGINEERING AND TECHNICAL SERVICES	6.36
FEDSTORE CORPORATION	31	SOFTWARE-NON-CAPITALIZED	278,463.69
FELTG LLC	25	COMMERCIAL TRAINING	5,970.00
FOR THE RECORD, INC.	25	COURT REPORTING SERVICES	550,000.00

FOR THE RECORD, INC.	25	MISCELLANEOUS SERVICES	20,000.00
FORS MARSH GROUP LLC	25	STUDIES, ANALYSES, AND EVALUATIONS	225,598.40
FRB OF NEW YORK	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	1,492,797.00
FRB OF NEW YORK	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	173,000.00
FRB OF NEW YORK	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	21,710.00
G4S INTEGRATED FACILITIES SRVCS LLC	25	REPAIRS AND MAINTENANCE	3,099,890.21
G4S INTEGRATED FACILITIES SRVCS LLC	25	MISCELLANEOUS SERVICES	400,109.79
GITHUB INC.	31	SOFTWARE-NON-CAPITALIZED	15,000.00
GITHUB INC.	31	SOFTWARE-NON-CAPITALIZED	4,450.00
GSA HEARTLAND FINANCE CENTER 6BC	25	SERVICES OF OTHER AGENCIES	260,000.00
GSA HEARTLAND FINANCE CENTER 6BC	25	SERVICES OF OTHER AGENCIES	65,000.00
HAMILTON & BOND ADVERTISING INC	25	MISCELLANEOUS SERVICES	6,743.85
HAMILTON & BOND ADVERTISING INC	25	MISCELLANEOUS SERVICES	3,696.85
HEALTH ONE INC	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	16,100.00
HISPANIC ASSOC OF COLL & UNIV	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	13,606.00
ICF INCORPORATED L.L.C.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	299,805.00
ICF INCORPORATED L.L.C.	25	STUDIES, ANALYSES, AND EVALUATIONS	21,358.00
IMMIX TECHNOLOGY INC.	31	SOFTWARE-NON-CAPITALIZED	12,491.96
IMMIX TECHNOLOGY INC.	25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	9,074.00
IMMIX TECHNOLOGY INC.	31	SOFTWARE-NON-CAPITALIZED	6,370.54
INTERNAL REVENUE SERVICE-20	25	SERVICES OF OTHER AGENCIES	21,764.00
KASTLE SYSTEMS LLC	25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	6,529.00
KLEIMANN COMMUNICATION GROUP INC	25	STUDIES, ANALYSES, AND EVALUATIONS	89,395.71
LYME COMPUTER SYSTEMS INC.	25	OPERATIONS AND MAINTENANCE OF EQUIPMENT AND SOFTWARE - ADP	20,034.00
MANAGEMENT SUPPORT TECHNOLOGY INC	25	MISCELLANEOUS SERVICES	305,551.71
MARKUS KENT	25	MISCELLANEOUS SERVICES	109.00
MCKINSEY & COMP INC. WASHINGTN D.C.	25	STUDIES, ANALYSES, AND EVALUATIONS	1,625,234.49
MCKINSEY & COMP INC. WASHINGTN D.C.	25	STUDIES, ANALYSES, AND EVALUATIONS	201,951.22
MCKINSEY & COMP INC. WASHINGTN D.C.	25	STUDIES, ANALYSES, AND EVALUATIONS	72,698.87
MCKINSEY & COMP INC. WASHINGTN D.C.	25	STUDIES, ANALYSES, AND EVALUATIONS	42,213.89
MERCOM INCORPORATED	31	SOFTWARE-CAPITALIZED	777,449.44
MERCOM INCORPORATED	31	SOFTWARE-CAPITALIZED	132.17
MERCOM INCORPORATED	31	SOFTWARE-CAPITALIZED	-132.17
MICROLINK LLC	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	39,809.89
MIDTOWN PERSONNEL INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	199,804.00
MIDTOWN PERSONNEL INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	89,968.00
MIDTOWN PERSONNEL INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	79,143.68
MIDTOWN PERSONNEL INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	45,738.88
MIDTOWN PERSONNEL INC.	25	STUDIES, ANALYSES, AND EVALUATIONS	20,556.80
MIDTOWN PERSONNEL INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	16,588.00
MIDTOWN PERSONNEL INC.	25	STUDIES, ANALYSES, AND EVALUATIONS	10,278.40
NATINL PRTCTN AND PRGRMS DRCTRT THE	25	SERVICES OF OTHER AGENCIES	51,011.35
NATIONAL ARCHIVES AND RECORDS ADM-1	25	SERVICES OF OTHER AGENCIES	25,000.00
NATIONAL FAIR HOUSING ALLIANCE	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	30,879.68
NATIONAL INSTITUTE FOR TRIAL ADVOC	25	COMMERCIAL TRAINING	4,010.93
NATIONAL SCIENCE FOUNDATION-3	25	SERVICES OF OTHER AGENCIES	163,957.00
NATIONAL TECHNICAL INFORMATION SVC	25	SERVICES OF OTHER AGENCIES	23,670.00
NEAL R GROSS AND COMPANY INC	25	COURT REPORTING SERVICES	14,500.00
NEAL R GROSS AND COMPANY INC	25	COURT REPORTING SERVICES	6,180.00
NEAL R GROSS AND COMPANY INC	25	COURT REPORTING SERVICES	4,936.00
NEAL R GROSS AND COMPANY INC	25	COURT REPORTING SERVICES	3,246.00
NEAL R GROSS AND COMPANY INC	25	COURT REPORTING SERVICES	2,348.00
NEAL R GROSS AND COMPANY INC	25	COURT REPORTING SERVICES	1,721.00
NEAL R GROSS AND COMPANY INC	25	COURT REPORTING SERVICES	1,063.06
NEAL R GROSS AND COMPANY INC	25	COURT REPORTING SERVICES	383.02
P3 PARTNERS LLC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	17,112.32
PARTNERSHIP FOR PUBLIC SERVICE INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	8,000.00
PARTNERSHIP FOR PUBLIC SERVICE INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	7,200.00
PARTNERSHIP FOR PUBLIC SERVICE INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	7,200.00
PARTNERSHIP FOR PUBLIC SERVICE INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	3,800.00
PARTNERSHIP FOR PUBLIC SERVICE INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	3,800.00
PERSONNEL MANAGEMNT U S OFFICE OF	25	ENGINEERING AND TECHNICAL SERVICES	720,000.00
PERSONNEL MANAGEMNT U S OFFICE OF	25	MISCELLANEOUS SERVICES	96,379.50
PERSONNEL MANAGEMNT U S OFFICE OF	25	MISCELLANEOUS SERVICES	-96,379.50
PLANES MOVING & STORAGE INC.	25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	5,000.00
PRICEWATERHOUSECOOPERS LLP-1	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	329,093.18
PROGRAM SUPPORT CENTER-1	25	SERVICES OF OTHER AGENCIES	82,124.00
PROJECT ENHANCEMENT CORPORATION	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	7,439.10
PROJECT ENHANCEMENT CORPORATION	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	5,777.90
PROJECT ENHANCEMENT CORPORATION	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	5,766.50
PROJECT ENHANCEMENT CORPORATION	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	5,766.50
PROXY PERSONNEL LLC	25	COURT REPORTING SERVICES	4,718.12
PROXY PERSONNEL LLC	25	COURT REPORTING SERVICES	3,507.18
PROXY PERSONNEL LLC	25	COURT REPORTING SERVICES	2,302.80
PROXY PERSONNEL LLC	25	COURT REPORTING SERVICES	1,892.30
QUANTA SYSTEMS LLC	25	OPERATIONS AND MAINTENANCE OF EQUIPMENT-NON ADP	13,964.45
RED COATS INC.	25	MISCELLANEOUS SERVICES	11,220.00
RED RIVER COMPUTER CO. INC.	31	ADP EQUIPMENT-NON-CAPITALIZED	108,648.08

RED RIVER COMPUTER CO. INC.	31	ADP EQUIPMENT-NON-CAPITALIZED	-271.62
ROCK CREEK PUBLISHING GROUP	25	ENGINEERING AND TECHNICAL SERVICES	364,630.11
ROCK CREEK PUBLISHING GROUP	25	ENGINEERING AND TECHNICAL SERVICES	95,622.45
ROCK CREEK PUBLISHING GROUP	25	MISCELLANEOUS SERVICES	1,000.00
ROCK CREEK PUBLISHING GROUP	25	ENGINEERING AND TECHNICAL SERVICES	-96,000.00
SAVAR & ASSOCIATES LLC	25	COMMERCIAL TRAINING	6,885.00
SAVAR & ASSOCIATES LLC	25	COMMERCIAL TRAINING	4,590.00
SAVAR & ASSOCIATES LLC	25	COMMERCIAL TRAINING	4,590.00
SAVAR & ASSOCIATES LLC	25	COMMERCIAL TRAINING	4,590.00
SAVAR & ASSOCIATES LLC	25	COMMERCIAL TRAINING	4,590.00
SAVAR & ASSOCIATES LLC	25	COMMERCIAL TRAINING	4,590.00
SAVAR & ASSOCIATES LLC	25	COMMERCIAL TRAINING	4,590.00
SECTEK INC.	25	MISCELLANEOUS SERVICES	1,061,270.08
SECTEK INC.	25	MISCELLANEOUS SERVICES	237,916.80
SECTEK INC.	25	MISCELLANEOUS SERVICES	109,200.00
SECTEK INC.	25	MISCELLANEOUS SERVICES	11,169.00
SECTEK INC.	25	MISCELLANEOUS SERVICES	10,992.00
SECTEK INC.	25	MISCELLANEOUS SERVICES	-59.47
SHARP ELECTRONICS CORPORATION-5	31	ADP EQUIPMENT-NON-CAPITALIZED	39,070.08
SHARP ELECTRONICS CORPORATION-5	31	ADP EQUIPMENT-NON-CAPITALIZED	8,017.52
SHARP ELECTRONICS CORPORATION-5	31	ADP EQUIPMENT-NON-CAPITALIZED	8,017.52
SHARP ELECTRONICS CORPORATION-5	31	ADP EQUIPMENT-NON-CAPITALIZED	8,017.52
SHARP ELECTRONICS CORPORATION-5	31	ADP EQUIPMENT-NON-CAPITALIZED	5,700.00
SKIDMORE OWINGS & MERRILL LLP	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	2,262,433.00
SMARTRONIX INC.	25	ENGINEERING AND TECHNICAL SERVICES	1,785,398.00
SOLUTIONS BY DESIGN II LLC	31	SOFTWARE-NON-CAPITALIZED	86,631.59
STARCK VAN LINES INC.	25	STORAGE OF HOUSEHOLD GOODS - NON-TAXABLE (DOMESTIC)	1,649.65
SUNTIVA LLC	25	COMMERCIAL TRAINING	497,107.00
THE BOSTON CONSULTING GROUP INC	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	501,806.70
TOWERS WATSON DELAWARE INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	60,348.06
TREASURY FRANCHISE FUND US-4	25	SERVICES OF OTHER AGENCIES	4,030,911.00
TREASURY FRANCHISE FUND US-4	25	SERVICES OF OTHER AGENCIES	2,396,437.00
TREASURY FRANCHISE FUND US-4	25	SERVICES OF OTHER AGENCIES	1,119,048.00
TREASURY FRANCHISE FUND US-4	25	MISCELLANEOUS SERVICES	623,176.97
TREASURY FRANCHISE FUND US-4	25	MISCELLANEOUS SERVICES	619,162.73
TREASURY FRANCHISE FUND US-4	25	MISCELLANEOUS SERVICES	619,162.73
TREASURY FRANCHISE FUND US-4	25	SERVICES OF OTHER AGENCIES	4,000.00
TREASURY FRANCHISE FUND US-4	25	MISCELLANEOUS SERVICES	-1,861,502.43
TRIAD TECHNOLOGY PARTNERS LLC	31	SOFTWARE-NON-CAPITALIZED	59,583.00
TRIAD TECHNOLOGY PARTNERS LLC	31	SOFTWARE-NON-CAPITALIZED	54,800.00
TRIAD TECHNOLOGY PARTNERS LLC	31	SOFTWARE-NON-CAPITALIZED	42,000.00
TRUSTED HAND SERVICE INC.	25	MISCELLANEOUS SERVICES	554,188.48
TRUSTED HAND SERVICE INC.	25	MISCELLANEOUS SERVICES	2,000.00
U S DEPT OF HEALTH & HUMAN SERVICES	25	SERVICES OF OTHER AGENCIES	31,000.00
U S GOVERNMENT PRINTING OFFICE	25	MISCELLANEOUS SERVICES	30,962.60
U S GOVERNMENT PRINTING OFFICE	25	MISCELLANEOUS SERVICES	24,002.00
U.S. SECURITIES & EXCHANGE COMM	25	SERVICES OF OTHER AGENCIES	133,808.53
UNICOM GOVERNMENT INC.	31	SOFTWARE-NON-CAPITALIZED	427,372.27
UNIV OF KANSAS CTR FOR RSEARCH INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	82,702.00
USDA OFFICE OF COMMUNICATIONS	25	SERVICES OF OTHER AGENCIES	75,600.00
VANGENT INC.-1	31	SOFTWARE-CAPITALIZED	2,000,000.00
VANGENT INC.-1	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	1,500,000.00
W. B. MASON CO. INC.	31	OTHER EQUIPMENT-NON CAPITALIZED	6,190.75
WILLOW WOOD CONSULTING LLC	31	SOFTWARE-NON-CAPITALIZED	7,339.50
WORLD DATA PRODUCTS INC.	31	ADP EQUIPMENT-NON-CAPITALIZED	7,050.00
ZEIDERS ENTERPRISES INC.	25	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	17,802.03

Attachment D

Contract/Agreement Number	Vendor Name	Reason Not Competed
CFP12C00013	ADVERTISING COUNCIL, INC., THE	UNIQUE SOURCE
TPDCFPBPA120001	AMERICAN BANKERS ASSOCIATION	ONLY ONE SOURCE - OTHER
CFP11C0002	ARMEDIA LLC	AUTHORIZED BY STATUTE
CFP12D00009	BLDS, LLC	MOBILIZATION, ESSENTIAL R&D; EXPERT SERVICES
TPDCFP12K00064	CELLCO PARTNERSHIP DBA VERIZON WIRELESS	ONLY ONE SOURCE - OTHER
TPDCFP12K00074	CELLCO PARTNERSHIP DBA VERIZON WIRELESS	ONLY ONE SOURCE - OTHER
TPDCFP12K00049	CENTER FOR CREATIVE LEADERSHIP INC	ONLY ONE SOURCE - OTHER
TPDCFP12K00052	CENTER FOR CREATIVE LEADERSHIP INC	ONLY ONE SOURCE - OTHER
CFPP1200008	CORPORATION FOR ENTERPRISE DEVELOPMENT	UNIQUE SOURCE
TPDCFP12K00029	ENVIRONMENTAL SYSTEMS RESEARCH	ONLY ONE SOURCE - OTHER
TPDCFP12K00081	EXCELLA CONSULTING INCORPORATED	FOLLOW-ON ACTION FOLLOWING COMPETITIVE INITIAL ACTION
TPDCFP1200026	FEDERAL PRISON INDUSTRIES INC	AUTHORIZED BY STATUTE
TPDCFP1200031	FEDERAL PRISON INDUSTRIES INC	AUTHORIZED BY STATUTE
CFP12P00006	FEDERAL RADIO SERVICE CORP.	ONLY ONE SOURCE - OTHER
TPDCFP11C0018	FEDSOLVE LLC	AUTHORIZED BY STATUTE
CFP12C0006	FREEMAN, IRIS C	PATENT/DATA RIGHTS
TPDCFP1200008	GITHUB, INC.	ONLY ONE SOURCE - OTHER
CFP12K00001	HP ENTERPRISE SERVICES, LLC	ONLY ONE SOURCE - OTHER
TPDCFP1200022	HUDDLESTON BICKFORD, PAMELA	AUTHORIZED BY STATUTE
TPDCFP1200029	HUDDLESTON BICKFORD, PAMELA	AUTHORIZED BY STATUTE
TPDCFP1200033	HUDDLESTON BICKFORD, PAMELA	AUTHORIZED BY STATUTE
TPDCFP1200036	HUDDLESTON BICKFORD, PAMELA	AUTHORIZED BY STATUTE
TPDCFP1200038	HUDDLESTON BICKFORD, PAMELA	AUTHORIZED BY STATUTE
CFP12K00005	KASTLE SYSTEMS LLC	ONLY ONE SOURCE - OTHER
TPDSSBPA110008	LYME COMPUTER SYSTEMS, INC	ONLY ONE SOURCE - OTHER
TPDSSBPA110006	MERCOM INCORPORATED	AUTHORIZED BY STATUTE
TCC12HQP0039	NASATKA BARRIER, INCORPORATED	INHERITED FROM OCC
CFP12P00003	NATIONAL CONSUMER LAW CENTER, INC.	UNIQUE SOURCE
CFP12P00012	NATIONAL CONSUMER LAW CENTER, INC.	UNIQUE SOURCE
CFP12C0009	PEGASUS RADIO CORP.	ONLY ONE SOURCE - OTHER
TPDCFP12C0006	PROFESSIONAL SERVICES OF AMERICA, INC	AUTHORIZED BY STATUTE
TPDCFP12K00012	PYRAMID SYSTEMS INCORPORATED	AUTHORIZED BY STATUTE
TPDCFP12C0007	ROCK CREEK PUBLISHING GROUP	AUTHORIZED BY STATUTE
TPDCFP12C0009	SNL FINANCIAL LC	ONLY ONE SOURCE - OTHER
TPDCFP1200027	STATE REGULATORY REGISTRY LLC	ONLY ONE SOURCE - OTHER
TPDCFP1200002	TRANSCENDENCE, INC.	AUTHORIZED BY STATUTE
TPDCFP1200015	TRANSCENDENCE, INC.	AUTHORIZED BY STATUTE
TPDCFP1200020	TRANSCENDENCE, INC.	AUTHORIZED BY STATUTE
TPDCFP1200024	TRANSCENDENCE, INC.	AUTHORIZED BY STATUTE
TPDCFP12K00024	TRIAD TECHNOLOGY PARTNERS, LLC	ONLY ONE SOURCE - OTHER
TPDCFP1200006	WILLOW WOOD CONSULTING, LLC	ONLY ONE SOURCE - OTHER

Q.7. The report shows that the CFPB grew from 214 employees in the third quarter of FY2011 to nearly 1,000 employees by the end of the FY2012. There has been some criticism that the CFPB is paying some employees very high salaries. How many people are employed currently by the CFPB? Please provide the number of employees who earn more than $125,000, $150,000, and $200,000 respectively.

A.7. The Dodd-Frank Act requires the CFPB's pay and benefit programs to be comparable to those of the Federal Reserve Board and other Federal financial regulators. In compliance with the law, and following accepted salary administration practices, pay for CFPB employees is based on the skills, experience, and qualifications of the individual being hired, the position for which they are being hired, and the relevant pay band. As of February 23, 2013, the CFPB had 1,131 employees on board. Of these, 484 (43 percent) earned more than $125,000; 300 (27 percent) earned more than $150,000; and 59 (5 percent) earned more than $200,000 per year.

Q.8. How many economists does the CFPB hire? How many economists work on economic analyses pursuant to rulemakings undertaken by the agency?

A.8. The CFPB has 20 PhD economists in its Office of Research at present. The number of economists working on analyses for rulemakings varies over time and depends on the number of rulemakings in process.

Q.9. The report states that the CFPB has spent $150 million on Supervision, Enforcement, Fair Lending and Equal Opportunity. Please provide a detailed breakdown of how the monies are being allocated. Are any of these monies being used for data collection? Are any of these monies used to hire contractors, and if so, please list the contracts and amounts?

A.9. The $150 million in costs allocated to Supervision, Enforcement, Fair Lending and Equal Opportunity represent both direct costs of that division as well as indirect costs. The indirect or centralized costs include certain administrative and operational services provided centrally to other Divisions (e.g., building space, utilities, and IT-related equipment and services).

Direct costs for the Supervision, Enforcement, Fair Lending and Equal Opportunity division were approximately $77 million. Of this amount, approximately $60 million was spent on personnel and approximately $9 million on travel and transportation. The remaining $8 million was spent on other contractual services. In order to fulfill the CFPB's statutory purposes and objectives, including its obligations to assess compliance with Federal consumer financial protection laws and to monitor consumer financial markets, it is necessary for the Bureau to acquire and analyze qualitative and quantitative information and data pertaining to consumer financial product and service markets and companies. For your information, we have attached as Attachment B a detailed listing of all contracts and interagency agreements that the CFPB entered into in Fiscal Year 2012, including for goods and services supporting the Supervision, Enforcement and Fair Lending and Equal Opportunity function. Detailed information about each contract, including the

vendor, description of service, and value of the contract, is also available at usaspending.gov.

RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN JOHNSON AND SENATOR CRAPO FROM MARY JO WHITE

Q.1. Your spouse, John White, sits on the advisory committees for the Public Company Accounting Oversight Board and the Financial Accounting Standards Board. Both of these entities received extensive comments from their respective advisory committees on auditing and accounting standards that are either approved or recognized by the SEC. How do you intend to handle any real or perceived conflict of interest on matters where the advisory committees make policy recommendations on these standards that may come before you as Chairman of the SEC?

A.1. Pursuant to my Ethics Agreement, I will only be recused from particular party matters involving the PCAOB and/or the FASB. I will generally not be recused from broad policy recommendations that come from either entity. However, I am sensitive to the appearance concerns that could arise due to my spouse's participation as an unpaid member of the advisory groups of the PCAOB and the FASB even in the context of broad policy discussions. In addition, although I understand that these advisory groups do not themselves make policy recommendations, I will be sensitive to situations, if any, in which my spouse makes a policy recommendation as a member of either group. Accordingly, I will consult with the SEC's Ethics Counsel and the SEC's Chief Accountant regularly to ensure that any appearance concerns are addressed.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO FROM MARY JO WHITE

Q.1. SEC enforcement actions have often required respondents to undertake certain actions, such as correcting the violative conduct and strengthening internal policies and procedures to prevent or detect future violations. How will you ensure that SEC enforcement undertakings are not used as a way to inform regulated entities not directly involved in the enforcement action of new regulatory requirements, without the opportunity for those entities to provide comments?

A.1. I understand that undertakings strengthening internal policies and procedures to prevent or detect future violations, among other things, can be an important aspect of certain SEC enforcement actions. However, as I understand it, such undertakings are tied to the unique facts and circumstances of particular enforcement actions, and the underlying facts involved in the particular misconduct at issue in each action.

Q.2. Section 417 of Dodd-Frank requires the SEC to conduct two studies on short selling and submit reports on the results of those studies to Congress. The SEC has missed the statutory reporting deadlines for both studies. Will you commit to finishing the studies in a timely manner?

A.2. I have not yet had the opportunity to discuss the status of these two studies with the Commissioners and the staff, but as a general matter, I am committed to completing all Dodd-Frank Act mandates—both rulemakings and studies—both thoughtfully and expeditiously.

Q.3. Section 619 of Dodd-Frank requires the SEC to work with the three banking regulators and the CFTC to adopt the so-called Volcker Rule. How will you ensure that a final Volcker Rule will not unnecessarily restrict permitted market-making activities?

A.3. I understand the important role that market making plays in our financial markets. I look forward to working with the staff, my fellow Commissioners, and the other regulatory agencies to ensure that the final rules implementing Section 619, and the way that these rules are described in the adopting release, appropriately, and with clarity, account for this critical market function and ensure that the rules continue to allow market makers to provide needed liquidity to investors in a broad range of instruments, while at the same time ensuring that all of the statutory objectives are furthered.

Q.4. Title VII of Dodd-Frank includes indemnification provisions that make it difficult, if not impossible, for foreign regulators to obtain information on swap transactions. All four of the current SEC Commissioners, as well as former SEC Chairman Mary Schapiro, support repealing the indemnification requirements. Do you agree with them?

A.4. Yes, I agree with the other Commissioners and former Chairman Schapiro and support repealing the provision in the Dodd-Frank Act (Section 763(i)) that requires any U.S. or foreign authority, other than the Commission, seeking to obtain security-based swap data from a Commission-registered security-based swap data repository to agree to provide indemnification to the security-based swap data repository and the Commission "for any expenses arising from litigation relating to the information provided."

Q.5. Last year, the CFTC issued proposed interpretive guidance on cross-border application of the swaps provisions of Dodd-Frank, the so-called extraterritoriality guidance. The CFTC guidance received widespread criticism from foreign regulators across the globe for, among other things, not conforming to a G20 agreement, being too expansive in scope and confusing in application. Recently, the CFTC approved an exemptive order delaying the effective date for some of the provisions and issued further cross-border guidance in an attempt to clarify the scope and definition of "U.S. person." However, at least one foreign regulator has stated that the further guidance made the definition even less clear. What steps will you take to ensure that the SEC will not face similar criticism?

A.5. As Chairman Walter recently testified before this Committee, I understand that the Commission intends to address the international implications of the security-based swaps rules arising under Title VII of the Dodd-Frank Act holistically in a single proposing release. To my mind, that approach allows the Commission to cover a broader set of issues than the CFTC included in its proposed interpretive guidance. I think the Commission's proposal

should address the application of Title VII in cross-border contexts with respect to each of the major registration categories covered by Title VII relating to market intermediaries and infrastructures for security-based swaps, and certain transaction-related requirements under Title VII in connection with reporting, clearing, and trade execution for security-based swaps.

This needs to be done with a notice-and-comment rulemaking, so that it can consider investor protection and incorporate an economic analysis that considers the effects of the proposal on efficiency, competition, and capital formation. It is clear this approach takes more time than simply issuing interpretive guidance, but it has a number of advantages. These include, among others, a full articulation of the rationales for, and consideration of reasonable alternatives to, the proposals the Commission puts forth and ultimately adopts. I agree that the cross-border rules adopted by the Commission need to provide, among other things, a clear and workable definition of "U.S. person" so that international participants have clear guidance as to how trading activities will trigger regulatory U.S. regulatory requirements.

Q.6. Section 975 of Dodd-Frank enhances the regulation of municipal advisors. The provision was intended to apply to previously unregulated financial advisors. However, the SEC's proposed municipal advisor rule went much further and would capture some activities of regulated bond underwriters. If confirmed, how will you address the "underwriter exclusion" provision of the proposal when moving to a final rule?

A.6. I have not yet had the opportunity to discuss this issue in detail with the staff or with my fellow Commissioners, but I understand that the Commission has received numerous comment letters that the 2010 proposed municipal advisor registration rules were too broad, including with respect to the scope of the underwriter exclusion. I understand that the staff is carefully weighing these comments as they develop recommendations for the Commission. I recognize the important role that bond underwriters play in assisting municipalities in the issuance and sale of municipal securities. If confirmed, I commit to reviewing the scope of the underwriter exclusion and I will work closely with staff and the Commissioners to finalize and adopt these rules in a balanced way, with careful consideration of public comments and concerns about undue breadth of the proposed rules.

Q.7. A July 2012 SEC staff report evaluated the development of International Financial Reporting Standards (IFRS) by the International Accounting Standards Board (IASB). The report highlighted several significant concerns about moving to IFRS, including its uneven application around the world, the potential cost to U.S. companies and the surrender of U.S. standard-setting sovereignty. The report also cited concerns about the independence of the IASB. How will you address concerns that adopting IFRS would cede control over U.S. accounting standards to a foreign entity?

A.7. I agree that the issues you have identified are concerns. I have not yet had the opportunity to discuss this issue in depth with the staff or with the Commissioners. As a general matter, I believe

that the pursuit of a single set of high-quality, globally accepted accounting standards is a worthy goal. I plan to work with the Commissioners and staff on the challenges raised in the final staff report. Ultimately, any decision to further incorporate IFRS within the U.S. should assure that such a change is in the best interest of U.S. investors and registrants.

Q.8. Last year, the SEC and the Department of Justice (DOJ) issued joint guidance containing detailed information about the Foreign Corrupt Practices Act (FCPA), its provisions, and the agencies' enforcement priorities. Since then, companies and individuals seeking to comply with the FCPA have asked for further clarification. If confirmed, will you commit to working with companies and individuals seeking to comply with the FCPA in order to improve the guidance?

A.8. I understand that the SEC worked extensively with the Department of Justice to prepare the recently issued joint FCPA Guidance. The Guidance explains how the Government interprets the FCPA and seeks to educate companies about the limits of permissible conduct. I understand that as part of the process of developing the Guidance, the Director of the SEC's Division of Enforcement and the Assistant Attorney General for the Criminal Division at the Department of Justice engaged in a series of roundtables with members of the business community, as well as others from the NGO and compliance community, to listen to their concerns about FCPA compliance. I understand that the Guidance addresses many of those concerns, and particularly seeks to clarify the type of conduct that gets prosecuted under the FCPA. I will need to review with the staff any requests for further clarification of the FCPA Guidance, but if confirmed as Chair, I certainly would remain open to listening to any additional concerns of those seeking to comply with the FCPA, along with the leadership of the Division of Enforcement and its specialized unit dedicated to FCPA Enforcement and our colleagues at the Department of Justice.

Q.9. Recently, the National Association of Manufacturers has challenged the SEC's conflict minerals rule in Federal court saying that "The final conflict mineral rule imposes an unworkable, overly broad and burdensome system that will undermine jobs and growth and may not achieve Congress's overall objectives." In addition, there has been considerable concern that the conflicts mineral disclosures do not fit within the scope of the SEC's mission to protect investors, maintain fair and efficient markets, and promote capital formation. Do you believe that conflict mineral disclosures should be considered material disclosures for investor protection purposes?

A.9. As the Commission recognized in its release adopting the rule, several of the cosponsors of the conflict minerals statutory provision, as well as commentators during the rulemaking process, expressed the belief that conflict minerals disclosures are material to investors' understanding of the risks in an issuer's reputation and supply chain. The rule has been challenged in court and that issue has been raised, so I cannot appropriately comment further at this point.

Q.10. In July 2010, the SEC released an advance notice of proposed rulemaking with respect to the U.S. proxy system. The concept release addressed a number of important issues, including proxy mechanics and the growing influence of proxy advisory services. The concept release generated a large number of comments, as well as created substantial industry and investor interest in these issues. Since then, however, the SEC has not moved forward with any proposed rules or other action to address the issues in the concept release. If confirmed, what priority will you give to deciding whether, and if so how, to move on the SEC's proxy system concept release?

A.10. The Proxy Mechanics concept release addressed a number of significant issues related to the proxy system and a large number of commenters provided useful feedback to the Commission. I agree that addressing the issues discussed in the concept release is an important undertaking for the Commission. I have not yet had the opportunity to discuss the concept release with the Commission and the staff. If confirmed, I will work with the other Commissioners and the staff to outline the next steps to respond to the comments the Commission received on the concept release.

Q.11. Treasury Secretary Jack Lew recently wrote "The Administration has consistently opposed a financial transaction tax on the grounds that it would be vulnerable to evasion, create incentives for financial reengineering and burden retail investors." Do you agree with this assessment?

A.11. While I understand there are arguments both for and against the imposition of financial transaction taxes, their imposition does raise many complex issues such as those mentioned by Secretary Lew. Before taking a position on this particular proposal, I would want to closely review the details and consider how it might affect incentives for particular types of capital markets activities or have other impacts, positive or negative.

Q.12. SEC Commissioner Dan Gallagher has pointed out that the last time the SEC conducted a comprehensive review of market and regulatory structure was almost 20 years ago, when the SEC undertook the "Market 2000 Report" in 1994. Since then, new forms of competition, technology, global growth in trading, and broader investor participation have integrated and interconnected the world's capital markets as never before. While many academic studies find that these trends have generally benefited retail investors in the form of lower trading costs, there have been a number of well-publicized technology failures in the past few years. Do you agree with Commissioner Gallagher that it is time to undertake a new comprehensive review of market and regulatory structure?

A.12. I agree with Commissioner Gallagher that the SEC needs to be in a position to fully understand all aspects of today's marketplace and, if confirmed, would take the steps necessary to achieve that objective. As I noted in my testimony, today's high-speed, high-tech, and dispersed marketplace raises many questions and concerns that must be addressed with a sense of urgency. I have not yet had an opportunity to discuss these issues with the Commissioners and staff, but generally believe that the SEC should follow a path that will enable it to address market and regulatory structure issues as expeditiously as possible.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR REED FROM MARY JO WHITE

Q.1. A recent *New York Times* editorial noted that, "to earn and retain the public trust, it is crucial that [Ms. White] avoid the appearance of conflict in all SEC matters." To address the numerous conflict of interest concerns raised by many, you have indicated that in addition to direct conflicts involving your former law firm or clients, you will also consider the appearance of conflicts, including those that arise due to your husband's relationship to Cravath, Swaine & Moore LLP (Cravath). Please explain how you will avoid the appearance of conflicts that stem from Mr. White's participation on the advisory boards of the Public Company Accounting Oversight Board (PCAOB) and the Financial Accounting Standards Board (FASB), particularly given the SEC's oversight of the PCAOB and the SEC's reliance on the FASB in establishing accounting rules that apply to public companies? In addition, what further assurance can you provide regarding the consultative process you will use to decide when recusal is appropriate with respect to any matter in which Cravath appears before the Commission?

A.1. As I emphasized in my testimony, I am sensitive to any potential conflicts issues that could arise as a result of my or my spouse's (or our firms') legal practices. These issues were fully discussed and vetted with the Office of Government Ethics (OGE) and the SEC Ethics Counsel. During this process, I was informed that the extent of my possible conflicts and recusals are not out of the ordinary for other nominees, including former Chairmen of the SEC and other Commissioners. The Committee has my written Ethics Agreement that I have entered into with the SEC's Ethics Counsel and that agreement sets forth the manner in which these issues will be addressed.

I am also sensitive to any appearance concerns that could arise due to my spouse's participation as an unpaid member of the advisory groups of the PCAOB and the FASB. These issues were also fully discussed and vetted with OGE and the SEC Ethics Counsel. My Ethics Agreement sets forth the manner in which these issues will be addressed. I will also consult with the SEC's Ethics Counsel and the SEC's Chief Accountant regularly to insure that any appearance concerns are addressed. In addition, if confirmed I will work with the SEC's Office of Ethics Counsel as well as my own counsel to vet all party matters that come before the Commission in which Cravath is a party or represents a party to determine whether any conflict or appearance concern exists. Any potential conflict of interest will be resolved in accordance with the terms of my Ethics Agreement.

Q.2. In October 2011, the Securities & Exchange Commission issued guidance to public companies regarding the disclosure they should provide about cybersecurity risks and incidents. Since the guidance was issued, we have witnessed an increase in cybersecurity threats and breaches that threaten our companies, financial markets and our national security. In fact, on February 12, 2013, the President signed the "Improving Critical Infrastructure and Cybersecurity" Executive Order to address this increasing threat. Given the risks posed by cybersecurity threats to public

companies and financial market participants and regulators that rely on computer systems, will you request the agency re-evaluate the efficacy of its October 2011 guidance and report to Congress on how such guidance in being implemented? Would you also consider evaluating whether updated guidance is needed in light of the Executive Order?

A.2. One of the SEC's most important roles is to oversee the disclosure provided by public companies. In this role, the SEC seeks to assure that investors have the information they need to make informed investment decisions. While I understand that there are not specific line item requirements for cybersecurity risk and breaches, a number of existing disclosure requirements may result in disclosure in this area. Companies provide disclosure on cybersecurity risk based on a general materiality analysis of what a reasonable investor would need to know. As I understand it, the goal of the guidance put out by the SEC staff was to assist companies in reviewing cybersecurity issues within the existing disclosure framework, which, I believe, is well suited to eliciting material information without overwhelming investors with other information that may not help them to make informed investment decisions. If confirmed, I will review these issues with the staff and my fellow Commissioners.

I certainly understand and agree that cybersecurity is a key national security issue and one that will only grow in importance in the coming years. The frequency and severity of the attacks on companies and governmental institutions will inevitably increase, and the President's and Congress' focus on this issue is critical. The goal of the SEC staff's guidance and the disclosure requirements of the Federal securities laws are directed at providing material information about risks facing a public company. I believe it is important for the Commission and the staff to remain focused on cybersecurity, as risks in this area can change rapidly. If confirmed, I look forward to the opportunity to work with Congress on this matter.

Q.3. The FSOC is comprised of members representing the various financial services regulators. Diversity of views on the panel is important and there is no one-size-fits-all regulation when it comes to financial stability issues. How do you see the SEC's role on the FSOC? How do you plan to ensure the SEC's mission of investor protection is incorporated into the FSOC's efforts?

A.3. The FSOC serves a critical purpose by providing a cross-agency focus on financial stability issues. I also believe the FSOC is an important and useful forum for the sharing of information and collaboration among financial services regulators.

If confirmed as Chair, I would expect to be an engaged and active participant in the FSOC. Further, I would encourage staff to constructively share information with the FSOC's financial regulators and educate them on the role of the SEC as a capital markets regulator with a mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. As laid out in its 2011 and 2012 annual reports, the FSOC has described its purposes as identifying risks to financial stability, promoting market discipline by eliminating expectation of Government protection

from losses, and responding to emerging threats to the stability of the U.S. financial system. These purposes would seem to complement the SEC's mission and investor protection focus, and if confirmed as Chair of the SEC, I would expect to work with my fellow FSOC members to foster that outcome.

Q.4. The Dodd-Frank Act required the SEC to adopt rules mandating that municipal advisors register with the SEC. The SEC proposed rules in this area in 2010. Is it your intention, if you are confirmed as the SEC chair, to move to adopt final municipal financial advisor rules?

A.4. If confirmed, I will work closely with staff and my fellow Commissioners to finalize and adopt these important rules promptly to protect municipal entities and investors without unnecessary regulation.

Q.5. Have you had an opportunity to review the SEC's report on the municipal securities market, which was issued last year? If so, what are your thoughts with respect to the report's recommendations?

A.5. I am familiar with the Commission's Report on the Municipal Securities Market. Although I have not yet had the opportunity to review it in detail and discuss it with staff and my fellow Commissioners, I appreciate that this significant Report addresses two major areas that warrant careful consideration to ensure a stronger municipal securities market in the future. First, the Report made several important legislative and regulatory recommendations in the municipal disclosure area to improve the timeliness and uniformity of municipal disclosure and financial statements, including a recommendation to provide the SEC with direct authority to set baseline disclosure standards in this area. Second, the Report made a series of recommendations in the market structure area to improve price transparency in the municipal securities market.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR MENENDEZ FROM MARY JO WHITE

Q.1. Dodd-Frank Wall Street Reform requires the SEC to issue a uniform fiduciary standard to require all financial professionals—including broker-dealers who are not currently covered—to act in the best interests of their investors when providing investment advice. Fiduciary standards should apply to all professionals who give people investment advice. Do you see any reason why we should not have a uniform standard that includes broker-dealers? Will you move this provision forward in a timely manner?

A.1. Broker-dealers and investment advisers both provide investment advice, but are regulated differently when doing so. Whenever different standards apply to the same activity, I believe regulators should carefully consider whether such distinctions make sense from both the perspective of investors and industry. Section 913(f) of the Dodd-Frank Act gives the SEC the authority to adopt rules requiring a uniform fiduciary standard for the provision of personalized investment advice about securities to retail customers. As you know, the Commission very recently published a release requesting input from the public on a uniform fiduciary standard of

conduct for broker-dealers and investment advisers. The release contained details about how a uniform fiduciary standard of conduct could operate. I am very much looking forward to reviewing with the Commissioners and the staff the information provided in response to that release. The goal in this effort should be to make sure that investors, particularly retail investors, are appropriately protected and have access to, and choices about, the type of investor-focused investment advice that they need.

Q.2. Wall Street Reform required the SEC to issue a rule on corporate political spending. The SEC has received over 490,000 public comments asking for disclosure of political spending. The SEC's important move to consider this rule and its statement that it will issue a NPRM shows that they are adapting to the new way corporate money is being used in the marketplace, and that they take their mandate to protect investors seriously. Investors are told this corporate spending is for their benefit, and so should have an SEC rule that will allow them to assess that claim. How will you move this important rule forward when you take office?

A.2. Although the Commission is not required to issue a rule on corporate political spending, I understand that the Commission has received two rulemaking petitions asking the Commission to require the disclosure of political contributions made by public companies. These petitions have received considerable attention, both from those in favor and from those opposed. The staff is reviewing the petitions to determine whether or not to recommend any rulemaking in this area. It would be premature for me to make an assessment of the merits of the petitions, or to pre-judge the disclosure requirement generally, without the benefit of the staff's review.

Q.3. The SEC's Office of Minority and Women Inclusion (OMWI) is now up and running. The reason for creating these offices was that there just is not enough minority representation within our financial regulators. What will you do to increase the number of minorities and women, especially in management positions and as contractors, at the SEC?

A.3. I have met with the Director of the SEC's OMWI to discuss how I can personally help in this critical effort. If confirmed, I intend to give my full support to OMWI to ensure that the SEC has staff, infrastructure, and strategies in place to make significant strides in these areas. I will take a close look at the agency's management organization and training programs, and also will encourage the agency's managers and senior staff to work with OMWI both to expand the breadth of contracting opportunities available to minority-owned and women-owned businesses and to advocate for their inclusion in the competitive contract award process. I plan to make visible my commitment to diversity to ensure that the SEC's workforce and supplier base reflect the increasing diversity of our Nation and of the investing public the agency is charged with protecting.

Q.4. A bipartisan amendment led by Senators Franken and Wicker, which I supported, was added to Dodd-Frank that gave the SEC the authority to do a rulemaking to reduce conflicts of interest in

the credit rating industry. Are you committed to aggressively using the Commission's authority to make sure that conflicts of interest are rooted out?

A.4. This is a very important issue. I am committed to ensuring that all violations of the Exchange Act and the rules thereunder regarding prohibiting or managing conflicts of interest are aggressively pursued. In the report to Congress pursuant to Section 939F of the Dodd-Frank Act issued in December 2012, the SEC staff recommended that the Commission, as a next step, convene a public roundtable to explore potential regulatory and statutory changes to further address any conflicts of interest. The roundtable will be held on May 14 and, if confirmed, I look forward to participating with the other Commissioners.

Q.5. On the issue of money market mutual funds, there has been a great deal of discussion recently, from the role they play for consumers in the financial markets and whether or not new regulations are warranted in this space. I would appreciate your thoughts on whether you think money market funds played a role in the financial crisis and the current status of regulations of these products, as well as the process we might expect from the SEC moving forward as far as reviewing comment letters and hearing from affected parties in determining whether or not there's a need for new regulations.

A.5. As you know, late last year the SEC's Division of Risk, Strategy and Financial Innovation issued a report analyzing the run on money market mutual funds during the financial crisis and its potential causes and consequences. I have reviewed that report and, if confirmed, I am committed to continuing my review of this important set of issues. If confirmed, I also look forward to discussing with the SEC Commissioners and staff the potential need for further regulatory reform of money market mutual funds and, if so, what reforms would be optimal. I would expect that SEC staff would review all relevant comment letters, and I would look forward to hearing from any interested parties regarding the potential need for further reform as well as any impact potential further reforms could have.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR BROWN FROM MARY JO WHITE

Q.1. In response to a question from Senator Menendez, "consider consequences in their remedies so that, for example, a corporate fine that in effect would have a grievous impact on innocent shareholders is taken into account in terms of remedies that they seek." You elaborated on this answer to me: "do consider consequences in their remedies so that, for example, a corporate fine that in effect would have a grievous impact on innocent shareholders is taken into account in terms of remedies that they seek"

Is it the SEC's policy that institutions with more shareholders should be subject to lower penalties?

Under Dodd-Frank's Title II Orderly Liquidation Authority, shareholders will be wiped out. The Nation's second largest bank has nearly 3,700 institutional and mutual fund shareholders alone.

A.1. No, it is my understanding that while the Commission analyzes a number of factors when determining the appropriateness of particular penalties imposed or sought in its enforcement actions, it does not to my knowledge have a policy that would dictate that a public company should receive higher or lower penalties simply as a result of its market capitalization or number of shareholders. What I was referring to in my testimony was the SEC's 2006 corporate penalty policy, which discusses the consideration of, among other things, whether current shareholders of the corporation were beneficiaries of the allegedly fraudulent conduct in determining the appropriate penalty level.

Q.2. Would the SEC consider whether a particular penalty would send this institution into Orderly Liquidation, thus wiping out these 3,700 shareholders, when determining whether such penalty is appropriate?

A.2. The Commission's penalty authority is limited by statute to certain specified tiers tied to particular levels of misconduct, and the Commission does not currently have penalty authority that would allow it to impose significantly larger penalties—for example, penalties calculated based on investor loss. Based on my understanding of the Commission's existing penalty authority, it is difficult to imagine a situation where an SEC enforcement action could result in a penalty of the nature envisioned by your question. Nonetheless, as indicated, I understand that the Commission considers a number of factors when determining the appropriateness of a particular penalty imposed or sought in one of its enforcement actions, but, to my knowledge, has no policy mandating that a particular penalty not be imposed because of anticipated collateral consequences.

Q.3. The SEC's so-called Guide 3 rules governing financial disclosures by Bank Holding Companies were written in the 1970s. The largest financial institutions have grown significantly since then—as I said at your hearing, 18 years ago, the six largest banks had assets equal to 18 percent of GDP, whereas today they equal 64 percent of GDP. They are also much more complex—the six largest banks have around 14,420 subsidiaries.

Do you believe that the Guide 3 rules should be updated to reflect the growth and complexity of financial institutions?

A.3. I have not yet had the opportunity to discuss the disclosure rules for financial institutions with the Commissioners and the staff, but if confirmed, I will work with the Commissioners and the staff to review the effectiveness of the existing disclosure regime for these companies. As a general matter, I agree that consideration should be given to whether the staff should conduct an evaluation of the guidance set forth in Industry Guide 3 in light of the growth and complexity of financial institutions since it was issued.

Q.4. Should these disclosures be simplified so that investors have access to a more accurate picture of a financial institution's balance sheet?

A.4. Investors should have as accurate a picture as possible of every company's financial statements. I also believe that we should always strive for the most meaningful and understandable disclo-

sure. It is also important to recognize that the financial reporting of the Nation's largest financial institutions is complex because the institutions themselves are complex, and, therefore, finding the right balance will continue to be a significant challenge. To address this, a review of the disclosure regime for these companies should also include an evaluation of how disclosures might be presented in a manner that is calibrated to the needs of different investors.

Q.5. Would you support a requirement that institutions disclose, on a quarterly and annual basis, all settlements, judgments, enforcement actions, and penalties brought against such institution?

A.5. I understand that disclosure of settlements, judgments, enforcement actions, and penalties brought against financial institutions is an important issue, and I would be interested in working with the staff to understand current practices and evaluating the adequacy of existing disclosure rules in this area.

Q.6. Upon leaving, your law firm, Debevoise & Plimpton, will give you $42,500 a month in retirement pay for life, or $510,000 per year, through the firm's partner-retirement plan. Debevoise would make a lump-sum payment to you in lieu of monthly retirement checks for the next 4 years, while you serve as SEC Chair. After that, your monthly payments would resume for life. Other Chairmen and Commissioners—Republicans Harvey Pitt and Daniel Gallagher, for example—severed all financial ties with their law firms when they went to work at the SEC.

Doesn't your compensation arrangement create the perception that your financial future is tied to the performance of your former firm?

Why not cut all financial ties with Debevoise & Plimpton?

A.6. If confirmed, I will retire from Debevoise & Plimpton LLP. I do not believe that the payment of retirement benefits to me should raise the perception you note. This retirement arrangement has been vetted by the U.S. Office of Government Ethics (OGE) and does not constitute a continued interest in the profitability or performance of the firm. I have earned this retirement benefit as a result of my years of work at the firm. (It is my understanding that neither former Chairman Pitt nor Commissioner Gallagher was eligible for retirement or retirement benefits at the time they left their firms to join the SEC.) The retirement benefit that I am entitled to receive is the same benefit available to any retiring partner at the firm. Like all retired partners, under the retirement plan, I am entitled only to the specified lifetime benefits, not to the cash value of such benefits in an up-front payment. And, although there is no realistic possibility that any matter at the SEC could impact Debevoise's willingness or ability to make the required retirement payments to me, under the terms of my Ethics Agreement, I would be recused from participating in any such matter.

Q.7. During the 2008 bailouts, many large financial firms made representations about their financial conditions and failed to disclose, or made vague disclosures, regarding assistance provided to them by the Federal Reserve, FDIC, or United States Treasury.

Section 501.06c of the SEC's Codification of Financial Reporting Policies requires that any financial assistance that has "materially

affected, or are reasonably likely to have a material future effect upon, financial condition or results of operations, the [Management Discussion & Analysis portion of a company's 10-K] should provide disclosure of the nature, amounts, and effects of such assistance."

Do you agree that loans from the Federal Reserve, guarantees from the FDIC, or capital injections from the United States Treasury could materially affect the future financial conditions of financial large institutions?

Do you believe that this support should be clearly disclosed to investors at the time that they occur?

A.7. A loan or other financial assistance from the Federal Government could materially affect the future financial condition of a large financial institution if that institution is in need of additional liquidity—and thus would require disclosure. On the other hand, there could be circumstances where a loan or other financial assistance is provided to a financial institution where the amount of the loan or the nature of the financial assistance is not material—whether because the financial institution is not in need of the liquidity or the amount of the assistance is not material. Materiality is a very fact specific analysis that will differ from one financial institution to another. If a financial institution receives assistance in the form of a loan or similar obligation that is material to the financial institution, it would be required to provide disclosure in a Current Report on Form 8-K within four business days of receiving the assistance. I think it is important for financial institutions to carefully and broadly consider their materiality analyses as they relate to the receipt of financial assistance from the Federal Government.

Q.8. You have been credited with creating the Deferred Prosecution Agreement when prosecuting Prudential Securities. Since 2009, the Justice Department has used DPAs on a number of financial institutions, however, it has recently adopted an approach that permits it to criminally charge smaller foreign subsidiaries of financial companies.

It has been noted that the Securities and Exchange Commission began using DPAs in 2010, and that the SEC's financial crisis cases—including a settlement with your former client JPMorgan Chase for selling faulty mortgage securities—have rarely named executives as defendants.

Do you believe that the widespread use of DPAs is appropriate?

Do you continue to believe that DPAs are an appropriate tool for the largest financial institutions?

What will be your approach to using DPAs? Will you continue the SEC's policy regarding the use of DPAs, or will you push for more companies and executives to admit guilt as part of settlements?

A.8. In appropriate circumstances, I believe that DPAs can be an effective tool for addressing corporate misconduct, particularly by making sure that companies and other entities implement remedial measures and other reforms to ensure future compliance with the law. In addition, DPAs can be used to help secure an entity's self-reporting of misconduct and extraordinary cooperation against the individuals responsible for the wrongdoing. I understand that in

2010, the SEC initiated a series of measures to strengthen its enforcement program by encouraging greater cooperation from individuals and companies in the agency's investigations and related enforcement actions. These initiatives, which included the use of DPAs, were patterned after the cooperation tools that criminal authorities have regularly and successfully used for years.

I understand that under the cooperation measures adopted in 2010, the SEC issued a policy statement setting forth a framework for analyzing and evaluating cooperation in investigations and related enforcement actions in evaluating appropriate dispositions. Each situation is dependent on the facts and circumstances, but if confirmed as Chair, I will review with the staff the appropriate use of DPAs in resolving SEC enforcement matters.

Q.9. Do you believe that requiring firms to admit to, or be charged with, criminal liability will cause the "loss of jobs, the loss of pensions and other significant negative consequences to innocent parties who played no role in the criminal conduct"?

A.9. The SEC does not have the authority to charge firms with criminal liability. The SEC's mandate is to enforce the Federal securities laws, and I understand that the Commission seeks to hold wrongdoers accountable wherever it identifies evidence sufficient to establish a violation of those laws. As discussed in my testimony, the DOJ has a long-standing policy that Federal prosecutors should consider, among other factors, the collateral consequences of a corporate indictment in evaluating bringing charges against a business organization. The actual collateral consequences of a corporate criminal charge will vary case to case.

Q.10. An important component of SEC settlements is the requirement that financial institutions agree not to breach antifraud laws in the future. According to the *New York Times,* during the last 15 years, at least 51 enforcement actions were brought against at least 19 Wall Street firms for breaking antifraud laws they had agreed never to breach. These companies included: American International Group, Bank of America, Bear Stearns, Deutsche Asset Management, Credit Suisse, Goldman Sachs, JPMorgan Chase, Merrill Lynch, Morgan Stanley, RBC Dain Rauscher, UBS, and Wells Fargo/Wachovia.

Should there be increased penalties for firms that violate their pledges not to break laws, in addition to the penalties for breaking those laws?

A.10. It is my understanding that the staff will consider recidivism in evaluating appropriate penalties for a current enforcement action, but that the Commission's existing statutory penalty authority does not authorize it to seek a specific penalty enhancement for a defendant that has previously been subject to a judgment or order in an SEC action. Nor does existing statutory authority authorize the SEC to seek a civil penalty if an individual or entity has violated an existing Federal court injunction or bar obtained or imposed by the SEC in an enforcement action. Former SEC Chairman Mary Schapiro requested that Congress provide the SEC with such enhanced statutory penalty authority, as well as additional enhanced statutory penalty authority. I support that request and I believe that this approach would be more efficient, effective, and

flexible than the limited and cumbersome civil contempt remedy. I understand that such authority also would be comparable to the Commission's existing ability to obtain civil penalties for violations of its administrative Cease and Desist orders. A bipartisan bill has been introduced in the Senate to enhance the SEC's penalty authority and, if confirmed as Chair, I look forward to working with Congress on that important legislation.

Q.11. Should the Commission consider the fact that a firm has broken one of these pledges, and whether it has done so repeatedly?

A.11. As indicated, I support Chairman Schapiro's request to Congress for additional penalty authority to authorize the Commission to seek an enhanced penalty against a defendant that has been subject to a judgment or order in an SEC action within the previous 5 years and to seek a civil penalty against a defendant that has violated an existing Federal court injunction or bar obtained or imposed in an SEC action. If Congress authorizes such enhanced penalty authority, and if confirmed as Chair, I would work with my fellow Commissioners and the Division of Enforcement to exercise that authority where appropriate. As also indicated, I believe the Enforcement staff does consider recidivism in evaluating appropriate penalties for enforcement actions.

Q.12. You previously represented JPMorgan Chase. According to the *New York Times,* "despite six securities fraud settlements in 13 years, JPMorgan rarely if ever lost any special privileges. It has been awarded at least 22 waivers since 2003, with most of its SEC settlements generating two or more. In seeking the reprieves, lawyers for JPMorgan stated in letters to the SEC that it should grant a waiver because the company has 'a strong record of compliance with the securities laws'."

The Times continues:

> Bank of America and Merrill Lynch, which merged in 2009, have settled 15 fraud cases and received at least 39 waivers . . . Only about a dozen companies . . . have felt the full force of the law after issuing misleading information about their businesses. Citigroup was the only major Wall Street bank among them. In 11 years, it settled six fraud cases and received 25 waivers before it lost most of its privileges in 2010. By granting those waivers, the SEC allowed Wall Street firms to have powerful advantages, securities experts and former regulators say. The institutions remained protected under the Private Securities Litigation Reform Act of 1995, which makes it easier to avoid class-action shareholder lawsuits.

Do these repeat offenders have strong records of compliance with securities laws, in spite of their frequent pattern of violations?

The SEC's head of Corporate Finance told the *New York Times* that the purpose of these rules is to protect investors. Do investors need to be protected from repeated legal violations by the largest broker dealers?

As Chairman of the SEC, will you revisit this waiver policy in a manner that is less friendly to large broker-dealers?

A.12. I have not yet had the opportunity to discuss in detail the issue of waivers with the Commissioners and the staff, but will examine the issue if confirmed. I believe strong enforcement is necessary for investor confidence and is essential to the integrity of our financial markets. And, I certainly believe that wrongdoers must be held accountable for their misconduct, including large broker dealers. As a general matter, when considering whether a waiver would be appropriate, I believe consideration should be given to the purpose of the specific disqualification and whether a waiver would be consistent with the Commission's goals of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.

Q.13. The central premise of the JOBS Act, which I did not support, was that reducing long-standing investor protections would make it easier for companies to raise capital and therefore lead companies to create more jobs. Chairman Schapiro was very strong in voicing her opposition to that legislation, however, I am concerned that some, including members of the SEC's Advisory Committee on Small and Emerging Companies, continue to press for further deregulation.

Do you believe that the JOBS Act will achieve its stated purpose?

Do you have any concerns with the JOBS Act, generally, or any of its specific provisions?

Can you assure us that the SEC will not, absent a specific directive from Congress, move forward with any further deregulatory proposals?

A.13. As I understand it, through the JOBS Act, Congress was seeking to address, at least in part, the decline in the number of initial public offerings in the United States and the challenge faced by small businesses to raise capital. Both of these objectives are seen as catalysts for supporting the growth and development of small businesses, which are drivers of job growth. It is too early to tell what impact the JOBS Act will have on strengthening small businesses and job growth.

Investor protection is always a concern and priority for the SEC. A very important challenge for the Commission as it relates to the JOBS Act will be in its implementation. The success of the implementation and the ability for small businesses to have meaningful capital formation will depend on whether investors understand what they are investing in and feel secure in making such an investment. It will be critically important to consider this as the rules are implemented, but also after the rules are in place. If confirmed, I would work with the Commission and the staff to implement a robust program to review the capital raising practices that develop as a result of the JOBS Act and assess the impact these practices have on investors, capital formation and the markets generally.

While I believe that the Commission should always consider whether its existing regulations should be further improved to encourage capital formation, if confirmed, I will be committed to ensuring that any such consideration would be coupled with a thoughtful, robust, and transparent review of the impact on investor protection.

Q.14. When Congress passed the JOBS Act, it included a number of measures to make it easier for companies to go public without having to immediately meet the full obligations of public companies (such as internal control audits, compliance with basic corporate governance rules related to executive compensation, and even adoption of new accounting and auditing standards). But, in our eagerness to promote IPOs, we have paid little attention to the need to reform the IPO process itself. Questions have surrounded some of the biggest recent IPOs—questions about the adequacy of Facebook's disclosures regarding revenue trends around the time of its IPOs, for example, and about Groupon's failure to disclose, prior to its IPO, a material weakness in its internal controls. There are even lingering questions about the fairness of investment bank IPO practices around the dot.com boom and bust, as described in a recent column by *New York Times* columnist Joe Nocera. I am not suggesting that these are examples of illegal actions (though some may be).

What would you do, a chairman, to ensure that the IPO process operates in a way that is fair to all participants?

A.14. The JOBS Act made significant changes to the Commission's rules concerning the offering process, disclosure, and communications in connection with initial public offerings. I believe it is too early to tell what impact these changes have had, or will have, on the IPO market and the way that IPOs are conducted. If confirmed, I would work with the staff to better understand the impact of the JOBS Act on offering practices and where challenges may still exist.

As I noted in my written testimony, I believe that investors and all market participants need to know that the playing field of our markets is level. Accordingly, when issues that frustrate the fundamental integrity of our markets are identified, I believe that the investing public and market participants deserve appropriate and timely regulatory and enforcement responses. If confirmed, I would look forward to working with the staff and the Commission on the important issue of ensuring the fairness of the IPO market.

Q.15. Do you have a view on areas that may be most in need of reform?

A.15. I have not yet had the opportunity to discuss the issue of reforms to the IPO process with the Commissioners and the staff, but if confirmed, I would work with the staff and my fellow Commissioners to better understand the range of current IPO practices and offering practices generally. I believe continued improvement and transparency is important and should be supported by all market participants. In general, I believe that the Commission's offering rules must keep pace with innovations in technology and methods of communication in order to properly balance its mission to protect investors, facilitate capital formation, and maintain fair and orderly markets. If confirmed, I would seek to ensure that the Commission continues to assess the effectiveness of its rules in light of evolving communications technology, and, importantly, changes in the manner in which companies and investors communicate. The costs and benefits of the regulatory structure governing commu-

nications during offerings should be considered as a part of that review.

Q.16. Every year thousands of investors file complaints against their stockbrokers and investment advisers. Almost every broker-dealer and many investment advisers include in their customer agreements a mandatory pre-dispute arbitration provision, with some now also including class action waivers. Section 921 of the Dodd-Frank Act authorizes and delegates to the Commission the responsibility to reform or prohibit pre-dispute arbitration requirements if it finds that such changes are in the public interest and for the protection of investors. Congress has, in effect, given the SEC both the tools and a mandate to act in this area.

Will the SEC take a serious look at the use of mandatory pre-dispute arbitration agreements?

A.16. I have not yet had the opportunity to discuss this issue with the Commissioners and staff, but, as you noted, Section 921 of the Dodd-Frank Act amended the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 to provide the Commission with authority to conduct rulemaking, under certain circumstances, relating to agreements that require customers or clients to arbitrate any future disputes arising under the Federal securities laws or related rules or regulations. If confirmed, I commit to exploring the use, reform, and possible prohibition of these mandatory pre-dispute arbitration agreements.

Q.17. If the SEC concludes that these agreements are, in fact, not in the best interest of investors (in other words, the threshold set forth in the statute has been met), will the SEC exercise its authority under Section 921 and will it take action to limit or prohibit the use of these contract clauses?

A.17. If confirmed, I commit to exploring with the staff and my fellow Commissioners the use, reform, and possible prohibition of these mandatory pre-dispute arbitration agreements. At this point, I am not able to commit to any specific outcome or approach.

Q.18. The Foreign Corrupt Practices Act (FCPA) forbids U.S. companies and their subsidiaries from paying foreign Government officials to obtain or retain business. The *New York Times* has reported that Walmart, one of the largest companies in the United States, bribed Mexican officials in exchange for permits to open new stores. According to that story, members of the highest levels of company's management also quashed an internal investigation in 2005 into the alleged bribery, and failed to notify the SEC and shareholders of either the allegations or the investigation. Only now, with the SEC and Justice Department investigating Walmart, are shareholders learning that the company believes that it may have committed additional FCPA violations in China, India, and Brazil. Meanwhile, the U.S. Chamber of Commerce has argued that the FCPA hampers the ability of U.S. companies to compete overseas and is leading a movement to weaken the law.

What steps will you take to ensure that the SEC sends a clear message about the importance of complying with the Foreign Corrupt Practices Act?

A.18. I believe that the SEC has a strong record of FCPA enforcement. I understand that the Commission has filed a number of significant FCPA actions in recent years that have imposed penalties and other sanctions against U.S. and non-U.S. companies that have engaged in bribery of foreign officials to obtain or retain business abroad and that have failed to implement strong policies and procedures to ensure FCPA compliance at their subsidiaries operating around the world. I believe that the SEC's FCPA enforcement actions can have a powerful deterrent impact—typically, they are carefully studied by the private bar and by compliance professionals at U.S. companies with overseas operations. I also understand that the SEC's Enforcement Division has a specialized FCPA unit with investigative attorneys and industry experts at SEC offices around the country dedicated to FCPA investigations. This FCPA Unit worked extensively with the Department of Justice to develop and issue the recent FCPA Guidance that explains how the Government interprets the FCPA and seeks to educate companies about the limits of permissible conduct. I believe that the deterrence obtained through the SEC's FCPA enforcement actions, along with the prevention that the SEC believes can be obtained through the FCPA Guidance, sends a clear message about the importance of complying with the FCPA.

Q.19. FCPA enforcement often involves only the corporation with no related individual prosecutions. Do you agree that a more effective deterrent of FCPA violations necessitates individual prosecutions?

A.19. As indicated, I understand that the SEC has brought a number of significant FCPA enforcement actions in recent years. I assume that where there has been sufficient evidence to charge individual executives or employees in connection with the company's FCPA violations, the Commission has not hesitated to do so. In fact, numerous recent FCPA enforcement actions have involved charges against individuals. I believe that full enforcement of the FCPA means investigating potential violations and pursuing the evidence wherever it leads, including appropriate actions against individual executives and employees. It is also my understanding that both the DOJ and SEC have in recent years emphasized the importance of prosecuting individuals (as well as companies) in appropriate cases. I agree with that emphasis.

Q.20. What is your position on the U.S. Chamber of Commerce's call to amend the FCPA?

A.20. I believe that the FCPA sends a powerful message that bribery of foreign officials cannot be a way of doing business for U.S. companies operating abroad. If confirmed, as indicated, I would continue the SEC's existing focus on strong FCPA enforcement. I also believe that the recently issued SEC–DOJ FCPA Guidance educates U.S. companies about the limits of permissible conduct and also makes clear how the SEC would reward companies that adopt compliance programs that are effective in preventing FCPA violations. With respect to proposed amendments to the FCPA, if confirmed, I would further study this issue.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR WARNER FROM MARY JO WHITE

Q.1. Right now there are about 50 rules under the SEC's jurisdiction that have missed their deadlines. In the case of the crowdfunding rules, the delay is legitimately holding up capital formation among startups. Can you respond to how you might confront the SEC's challenging workload as Chairman, and what improvements can be made in order to expedite the regulatory process in a prudent manner?

Specifically in the JOBS Act, how might the SEC move the Title III Crowdfunding regulations more expeditiously? I know you are working through concerns about private placements and the new definition of accredited investors. However, some level of predictability about what is expected from securities crowdfunding platforms would help this sector develop appropriately.

A.1. Under the Dodd-Frank Act and the JOBS Act, the SEC was mandated to engage in extensive and complex rulemaking. A substantial number of rulemakings have been completed, but a substantial number have not, including the crowdfunding rules. The remaining rulemaking mandates contained in the Dodd-Frank Act and JOBS Act must be completed swiftly. Though voluminous, if confirmed, I will work with the staff and my fellow Commissioners to finish, in as timely and smart a way as possible, those mandates required by Congress. This will require, I believe, strong leadership of parallel workstreams and close consultation with each of my fellow Commissioners. In working through the remaining rulemakings under Dodd-Frank and the JOBS Act, I will be cognizant of potential improvements that could be made to make the regulatory process more efficient.

As I indicated in my testimony, completing the rulemaking mandates that the Commission has received from Congress, including the crowdfunding rulemaking mandated under Title III of the JOBS Act, will be a high priority for me if confirmed. An important first step in this process will be for the Commission to issue a rule proposal on which issuers, investors, potential crowdfunding intermediaries, and other interested parties may comment. My understanding is that Commission staff has been actively working on a rule proposal for the Commission's consideration. I also understand that Commissioners and staff have met with a number of interested groups, and the staff has engaged in collaborative discussions with FINRA, the relevant national securities association for crowdfunding intermediaries, about the most efficient and effective way to move forward with the rulemaking. If confirmed, I will consult with the Commission and staff to determine how best to move forward with rule proposals to implement the crowdfunding provision.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR HAGAN FROM MARY JO WHITE

Q.1. In August 2012, the SEC adopted conflict minerals rules to implement Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. These rules require public companies with conflict minerals that are necessary to the functionality or

production of their products to make annual disclosures in their SEC filings, obtain an independent audit and post information on their Web sites. Aside from the actual disclosure and independent private sector audit that is required (other than during a brief transition period), I understand than an extensive process is required for companies to determine if they are subject to the rules.

When the SEC proposed these rules, it estimated that the additional costs of the disclosure requirements would be less than $75 million. Commentators responded that the SEC had vastly underestimated the costs of the rules. Professors from Tulane University estimated the costs to be $7.93 billion, and the National Association of Manufacturers estimated cost of $8–16 billion. After reviewing this input, the SEC concluded that the implementation costs of the revised rules would be $3–4 billion, and the ongoing compliance costs would be $207–609 million. It nevertheless proceeded to adopt final rules.

Given the extraordinary cost of these rules, do you think the SEC should have adopted the final rules?

A.1. The Dodd-Frank Act required the SEC to promulgate the final rule. In fulfilling this mandate, the Commission tried to reduce the burden of compliance in areas in which it had discretion while remaining faithful to the language and intent of the statutory provision Congress adopted. The rule has been challenged in court, and the extent of the Commission's responsibilities in light of the cost is at issue, so it would be inappropriate for me to comment further at this point.

Q.2. Given the pending legal challenge to the SEC's conflict minerals rules what steps do you plan on taking if confirmed as Chairman to lessen the prospect of these legal challenges?

A.2. A thoughtful and transparent rulemaking process—which includes a careful economic analysis—is an essential part of agency decision making and rulemaking. While it is impossible to predict or control the choices that potential litigants may make when contemplating a court challenge to an SEC rulemaking, I believe that such analyses to support SEC rules will lessen the strength of many arguments raised against our rules.

Q.3. The issue of fiduciary duty is one that has received considerable attention.

What are your thoughts on harmonizing the standard of care for investment advisers and brokers?

Along these lines and agency harmonization, do you believe that the SEC should work with the Department of Labor to ensure that there is a consistent standard of care, or at least workable dual models, for those who provide investment advice for retail products and retirement plans?

A.3. Broker-dealers and investment advisers both provide investment advice, but are regulated differently when doing so. Whenever different standards apply to the same activity, I believe regulators should carefully consider whether such distinctions make sense from both the perspective of investors and industry. As you know, the Commission very recently published a release requesting input from the public on a uniform fiduciary standard of conduct for broker-dealers and investment advisers. The release contained

details about how a uniform fiduciary standard of conduct could operate. I am very much looking forward to reviewing with the Commissioners and the staff the information provided in response to that release. I believe that the goal in this effort should be to make sure that investors, particularly retail investors, are appropriately protected and have access to, and choices about, the type of investor-focused investment advice that they need.

With respect to the SEC's coordination with the DOL, my understanding is that SEC staff has coordinated fairly extensively with DOL staff on the question of how to implement a workable fiduciary standard and the practical effect for financial services providers, particularly broker-dealers, of operating under a fiduciary duty. I think such coordination and discussion is important and, if confirmed, I would encourage the staff to pursue coordination with DOL and other regulators. I have every expectation that the SEC and the DOL will continue to collaborate on developments regarding the statutory standards each agency administers.

Q.4. Final implementing rules for the Volcker Rule have been significantly delayed. Given that the agencies will most likely not publish final rules until summer and that the statute explicitly recognized a minimum 2-year conformance period, do you expect that guidance should be given to extend the current implementation date beyond July 2014?

A.4. The Federal Reserve Board has sole authority under Section 619 of the Dodd-Frank Act to determine whether the law's conformance period should be extended. However, I understand that the Commission has been consulted on issues regarding the Volcker Rule's conformance period in the past. If confirmed, I will review this issue and consult with the Federal Reserve Board to ensure that the requirements both implement the intent of Congress and provide adequate time for entities that the Commission supervises to make the changes necessary to fully comply.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR WARREN FROM MARY JO WHITE

Q.1. I'm very concerned about the revolving door that exists between the SEC and the private sector. Last month, the Project on Government Oversight released a report showing that, between 2001 and 2010, more than 400 former-SEC employees filed almost 2,000 disclosures indicating that they were representing a client in front of the SEC. Those disclosures were required to be filed only by former employees who had left the SEC within the previous 2 years—so the actual revolving door activity went beyond the reported 2,000 disclosures. I'm worried if someone works for the SEC and is already looking ahead to their next job, particularly their next very fancy, very high-paying job, that it might affect their judgment while they are still working at the SEC.

Do you believe the revolving door is still a problem, and if so, can you talk about any plans you have to fix it?

A.1. Every agency needs to be concerned about both the fact and appearance of the so-called revolving door and must have rules in place governing post-employment activity, as well as strong mecha-

nisms for dealing with any potential conflicts resulting from prior employment activity. I understand that the GAO issued a report that noted the SEC's post-employment procedures are similar to those of other regulatory agencies. In addition, the GAO only made one recommendation—that the agency has already adopted—related to documenting the advice that ethics officials provide to SEC employees before they depart. If confirmed, I would further review these issues.

Q.2. According the same report, the SEC heavily redacts the so-called disclosures so that the public is often left in the dark about the real conflicts of interest. I think that's a mistake and that transparency here should be a bigger priority for the SEC. Do you agree?

A.2. As someone who previously served in Government, I too value transparency. But, without knowing what is being redacted, it is difficult for me to weigh the various factors that may be at play. I would, however, note that the reason these disclosures exist is because the SEC has a specific rule that requires former employees to notify the agency if they are going to appear before the Commission within 2 years of departure—something that goes beyond what is required by the Office of Government Ethics. If confirmed, I will look into the process regarding these disclosures.

Q.3. The consumer agency has met virtually all of its Dodd-Frank rule-writing deadlines. The SEC has missed about half its deadlines.

Can you outline your plans as SEC Chairman to make sure the SEC issues rules required by Dodd-Frank swiftly?

A.3. The rulemaking mandates contained in the Dodd-Frank Act must be completed swiftly. Though voluminous, if confirmed, I will work with the staff and my fellow Commissioners to finish, in as timely and smart a way as possible, those and any other mandates required by Congress. As an initial matter, I believe strong leadership of parallel workstreams and close consultation with each of my fellow Commissioners is required to complete this rulemaking in a responsible and expedited manner.

Q.4. To what extent do you think the SEC's reliance on appropriations for funding has played a role in the agency's failure to meet its rule-writing deadlines?

A.4. As one not yet employed at the Commission, I cannot yet speak specifically as to how the appropriations process may have impacted the Commission's ability to meet all of the rule-writing deadlines imposed by the Dodd-Frank Act. I do note, however, that under the Dodd-Frank Act the SEC was given over 90 complex rulemakings to complete without being given significant additional resources to do so. As a general matter, I also believe that the Commission has significant resource needs: to build out programs newly created under the Dodd-Frank and JOBS Acts; to strengthen other core agency functions like enforcement and examinations; and to continue critical investments in information technology. The fact that the Commission has been flat funded during FY13 in a Continuing Resolution—and frequently is funded under a Continuing Resolution—will make it difficult for the SEC to plan long-

term in hiring the experts and investing in the information technology projects the SEC needs to keep pace with its dynamic markets.

Q.5. To what extent do you think the dynamics around SEC's governance structure—a five-person board—has played a role in the agency's failure to meet its rule-writing deadline?

A.5. As one not yet employed at the Commission, I cannot speak specifically to how the five-person board structure has played a role in the agency's ability to meet all of the rule-writing deadlines imposed by the Dodd-Frank Act. As a general matter, while there are certainly benefits to a five-person Commission structure, it would also seem that the participation of multiple decision makers could impact the pace by which rules are promulgated. If confirmed, I look forward to working with my fellow Commissioners to finish, in as timely and smart a way as possible, all rulemaking mandates required by Congress.

Q.6. As you know, all of the bank regulators—the Federal Reserve Bank, the OCC, and the consumer agency—are funded independently—outside the political process. Earlier this week, in an Op-ed in *Politico,* former CFTC Chairman Brooksley Born and former SEC Chairman William Donaldson called for the CFTC and SEC to be independently funded as well. Do you believe that independent funding would increase the ability of the SEC to live up to its mission of protecting investors, the public, and the capital markets?

A.6. Yes. During the Dodd-Frank debate, I understand Congress considered making the SEC "self-funded" like the SEC's bank regulator counterparts. I believe that such a change, had it been made, would have been a significant benefit to the SEC in many respects, including closing the resource gap between the SEC and its regulated entities and in fulfilling its mission.

While self-funding did not come to pass, there were significant changes made to the SEC's funding structure so that now it is charged with collecting transaction fees from the securities industry to match the SEC's appropriation. With this so-called matched-funding, a rise or fall in the SEC's appropriation is matched by an increase or decrease in transaction fee collections. This is significant, as no matter what level Congress appropriates, the SEC's budget is deficit-neutral. I would hope that this change would make it easier for the SEC to receive the resources it badly needs to carry out its wide-ranging responsibilities on behalf of investors and our capital markets.

Q.7. Many Americans are concerned about the impact that well-funded lobbying of large corporations—particularly Wall Street—has had on weakening and slowing down the SEC's rule-writing process.

Can you describe what you would do as SEC Chairman in general to stand up to lobbyists and help make sure the SEC lives up to its mission to protect investors, the public, and the capital markets?

A.7. While I will always listen to differing viewpoints, and think it is important to do so, my focus will be on doing what is right

to protect investors and effectively overseeing our capital markets, focusing on aggressive enforcement of the securities laws and smart and timely regulation. At the end of the day, it is the responsibility of the Commission to do the right and best thing in every situation and to make every rulemaking decision to further the SEC's mission to protect investors, maintain fair, orderly and efficient markets, and facilitate capital formation. If confirmed, that is what I would always endeavor to do.

Q.8. At the hearing, we discussed the importance of measuring not only the costs of regulation in any cost-benefit analysis but also the costs of under-regulation—such as the costs of when too-big-to-fail banks take the kinds of risks that lead to the crash of our economy.

Can you describe in more detail what you will do to make sure that the analysis carried out at the Commission is a real cost-benefit analysis that incorporates both the costs of regulatory implementation and the costs of inaction?

A.8. I agree that an important part of good economic analysis is determining the benefits of regulation as well as the costs. As you stated at the hearing, in some situations avoiding the harms that result from the absence of sound regulation can be a very significant benefit of a regulation. I am aware that it can be quite difficult to quantify the benefits of regulation; thus, while we must try to do so, if we cannot, we should explain why and still consider the qualitative benefits of regulation.

Q.9. The SEC's chief counsel has determined that the SEC should use cost-benefit analysis only in cases of discretionary action. Economic consultants to the Commission have called for performing a cost-benefit analysis on even core statutory directives. Which approach do you favor?

A.9. I understand that the approach currently set forth in the SEC staff's guidance for economic analysis is to consider the overall economic impacts of a rulemaking, including both those deriving from statutory mandates and those resulting from the Commission's exercise of discretion. If confirmed, I look forward to having the opportunity to more carefully consider these issues in the context of specific Commission rulemakings.

Q.10. Analysis after analysis has shown that the willingness of credit rating agencies to give AAA ratings to toxic mortgage-backed securities played a huge role in the crash of our economy. In 2011, the SEC proposed rules under its Dodd-Frank authority to implement a number of provisions to improve the integrity of the ratings system and limit future risk. It has now been 2 years since then, and we haven't seen final adoption of the rules. I am concerned that the credit rating agencies continue to have clear conflicts of interest. I understand the SEC will be hosting a roundtable on this topic in May, and it is my hope that the Commission then immediately proceed to a rulemaking, as Dodd-Frank authorizes it to do.

What will you do as Chairman to accelerate this process?

A.10. In the report to Congress pursuant to Section 939F of the Dodd-Frank Act issued in December 2012, the SEC staff recommended that the Commission, as a next step, convene a public roundtable to explore potential regulatory and statutory changes to

further address any conflicts of interest. The roundtable will be held on May 14 and, if confirmed, I look forward to participating with the other Commissioners. I have not yet discussed with the Commissioners and staff the process to finalize the particular rules you identified. If confirmed, I am committed to reviewing the agenda and prioritizing the required rulemakings that remain outstanding.

Q.11. Can you describe the substantive approach you believe the SEC should take to fix this problem and dial down the risk?

A.11. If confirmed, I look forward to participating with the other Commissioners in the roundtable and exploring potential regulatory—and considering possible statutory—changes to further address any conflicts of interest. In the meantime, I understand that the SEC staff will continue to perform annual examinations of the NRSROs, which specifically includes reviewing the management of any conflicts of interest by the NRSROs.

Q.12. What will you do to make sure that the conflicts of interest are reduced and that the agencies follow the law? I've heard a lot of concerns that the rule proposals were too weak in these areas.

A.12. I understand that there currently are rules in place to prohibit or manage certain conflicts of interest and I am committed to aggressively pursuing any violations of those rules. That said, if confirmed, I will work with the SEC staff and the Commissioners to review the proposed rules and identify any provisions that may be further strengthened to address conflicts of interest.

Q.13. As you know, derivatives markets are global in scope. How do you plan to make sure the SEC effectively oversees international derivatives transactions?

A.13. For the security-based swaps that the Commission regulates, transactions that involve multiple jurisdictions are the norm, not the exception. It is therefore critical that the Commission consider how to apply the security-based swap rules in a cross-border context and in doing so, also consider how to create and apply a regulatory framework to an existing market that is already global in nature.

As Chairman Walter recently testified before this Committee, the Commission plans to address holistically the international implications of the security-based swap rules arising under Title VII of the Dodd-Frank Act in a single proposal. I believe this will give interested parties, including investors, market participants, foreign regulators, and other interested parties, an opportunity to consider as an integrated whole the Commission's approach to the application of Title VII's requirements to cross-border security-based swap transactions and non-U.S. persons that act in capacities regulated under the Dodd-Frank Act. Through these proposed rules, I believe the Commission can develop a strong regulatory framework that addresses the risks that can be posed to the United States by cross-border security-based swap transactions.

Q.14. The taxpayers of many cities and towns have suffered huge losses in recent years as a result of bad and self-serving financial advice provided by large financial institutions. The Dodd-Frank Act requires anyone who provides financial advice to public entities to

register as municipal financial advisors and follow a fiduciary standard of care. The SEC proposed rules on this issue more than 2 years ago but has not yet issued final rules.

Do you agree with the principle that anyone who provides financial advice to municipalities should be held to a fiduciary standard?

A.14. The municipal advisor registration provision in the Dodd-Frank Act imposes a fiduciary duty on municipal advisors to act in the best interests of municipal entities that they advise. If confirmed, I will work with staff and my fellow Commissioners to implement this provision fully and adopt final municipal advisor registration rules promptly. Congress added the municipal advisor provisions for good reason—to protect municipalities, their taxpayers, and investors in municipal securities from conflicted advice and unregulated advisors. They deserve the benefit of effective municipal advisor regulation.

Q.15. What will you do to prioritize the issuing of a strong final rule that defines municipal advisors so that the fiduciary standard can move forward?

A.15. As I stated in my written testimony, if confirmed, one of my early priorities would be to finish the rulemaking mandates contained in the Dodd-Frank Act in as timely and smart a way as possible. I understand that SEC staff is moving as promptly as possible to finalize the municipal advisor registration rules and that this rulemaking is the highest immediate priority in the SEC's newly established Office of Municipal Securities. The staff has indicated that it would like to present final rules for the Commission's consideration in the first part of this year. If confirmed, I will work closely with staff and my fellow Commissioners to finalize and adopt these important rules promptly in a way that would carry out the intent of this Dodd-Frank Act provision to ensure the core protection of imposing a fiduciary duty on municipal advisors to municipal entities.

Q.16. In Section 953(b) of the Dodd-Frank Act, Congress required the SEC to issue a regulation mandating that companies disclose the ratio of pay between the company's CEO and the company's median employee. This disclosure requirement is intended to help investors evaluate total levels of CEO pay relative to other company employees. Many investors want to know about these pay ratios because high pay disparities between the CEO and other employees—particularly in a time of economic belt tightening—can result in lower employee morale, reduced productivity, and higher turnover, thereby signaling economic trouble for the company. It has now been more than 2 years since the SEC issued its rule implementing the Dodd-Frank "say-on-pay" vote requirement, but the SEC has not yet issued a rule implementing Section 953(b).

What will you do to finally get the rules implementing Section 953(b) finally issued?

A.16. Completing the rulemaking mandates that the Commission has received from Congress will be a priority for me if confirmed. This is the case both for those provisions with statutory deadlines, and those without, such as the Section 953(b) "pay ratio" rulemaking mandate. An important first step in this process for the Commission will be issuing a rule proposal through which the

Commission will be able to receive feedback from shareholders, companies, and other interested parties. I understand that there are differing views relating to the implementation of this mandate. Some believe that the disclosures required by Section 953(b) represent critically important disclosures to investors and have expressed concerns about any implementation approach that would narrow the provision's scope. In contrast, others have questioned the usefulness to investors of the mandated disclosures, while at the same time questioning the ability of companies to collect the data necessary to make the disclosures required by the provision and asserting that the compliance costs will be quite high. If confirmed, I will consult with the Commission and the staff to determine the most effective and expeditious path forward for implementation of the pay ratio provision.

Q.17. U.S. capital markets are uniquely diverse and provide consumers with a wide range of banking and investment products. There has been concern expressed that various new regulations may result in making our financial markets even more reliant on banks.

Do you agree with concerns over the concentration of assets in a few of the largest institutions?

A.17. The strength of our capital markets depends on the existence of vigorous competition but also on sound regulation that gives investors, depositors, and other participants confidence in the safety of their assets. Regulators, in considering the economic effects of new rules, must take into account their benefits and costs, which includes the impact on competition and the potential risk of concentrating market share among a few large financial institutions. Further, the financial regulators—as members of the Financial Stability Oversight Council (FSOC)—must be vigilant in seeking to identify and address concentrations that create systemic risk. I understand these responsibilities and, if confirmed, will make sure that SEC does its part to live up to them.

Q.18. What would be the implications of that consolidation for retail investors?

A.18. The SEC's mission is to protect investors. If confirmed, I will seek to ensure that the SEC's authority is used in a way that avoids risk to retail investors as a result of concentration and that preserves a broad array of choice among both providers and products.

Q.19. Investors receive advice about securities under two standards of care. While investment advisors must follow a fiduciary standard of care when offering advice, broker-dealers must follow a different suitability standard. The result of having different rules for what is virtually the same service causes confusion and creates problems. Under the Dodd-Frank Act, the SEC is authorized to extend the fiduciary duty to broker-dealers. As you know, the SEC recently put out a request for additional cost-benefit data.

What is your view about extending the fiduciary standard to broker dealers?

Will this be a priority for you?

A.19. Whenever different standards apply to the same activity, I believe regulators should carefully consider whether such distinctions make sense from both the perspective of investors and industry. This is true of broker-dealers and investment advisers, which you point out both provide investment advice but are regulated differently when doing so. As you know, the Commission very recently published a release requesting input from the public on a uniform fiduciary standard of conduct for broker-dealers and investment advisers. The release contained details about how a uniform fiduciary standard of conduct could operate. I am very much looking forward to reviewing with the Commissioners and the staff the information provided in response to that release. I believe that the goal in this effort should be to make sure that investors, particularly retail investors, are appropriately protected and have access to, and choices about, the type of investor-focused investment advice that they need.

Q.20. The SEC enforcement division plays a critical role in ensuring compliance with securities laws, but the private right of action is also a critical tool for making sure that corporations are accountable to their shareholders and that investors can recover losses they suffer as a result of violations of securities laws.

In *Morrison v. National Australia Bank,* the Supreme Court limited the ability of U.S. shareholders, especially public pension funds, to recover losses from securities fraud. Can you describe what you think the response should be to this ruling, and also in what ways you think the SEC should play a role in that process?

A.20. I understand that, pursuant to Section 929Y of the Dodd-Frank legislation, the Commission last year undertook a study of potential legislative proposals that would address the Supreme Court's decision in Morrison with respect to private rights of action. If confirmed, I commit to reviewing the study's proposals with the staff and determining what role the Commission can play in helping Congress determine what, if any, further legislative response to Morrison is necessary to ensure that investors have appropriate protections under U.S. securities laws.

Q.21. Under the Dodd-Frank Act, the SEC has the authority to write rules on mandatory arbitration agreements. To date, the SEC has not done so. What is your stance on mandatory arbitration clauses that force investors to agree to arbitration instead of other measures during securities disputes, and what approach do you think the SEC should take on this issue?

A.21. I have not yet had the opportunity to discuss this issue with the Commissioners and staff, but I am committed to having those discussions if confirmed. As you know, Section 921 of the Dodd-Frank Act amended the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 to provide the Commission with authority to conduct rulemaking, under certain circumstances, relating to agreements that require customers or clients to arbitrate any future disputes arising under the Federal securities laws or related rules or regulations. If confirmed, I commit to exploring the use of these mandatory pre-dispute arbitration agreements. At this point, I am not able to commit to any specific outcome or approach.

Q.22. Do you believe there are other steps the SEC should take to strengthen the rights of private action for shareholders?

A.22. Private rights of action have long been recognized as an important element of the Federal securities laws, as meritorious private actions provide an essential supplement to the Commission's own enforcement efforts. Historically, key issues surrounding the scope of private rights of action have been resolved by the courts in judicial decisions or addressed through legislation by Congress. If confirmed, I certainly will focus on whether there are ways the Commission could help to improve the current system of private securities litigation.

Q.23. Through its Citizens United decision, the Supreme Court unleashed a powerful group of millionaires and billionaires who would spend hundreds of millions of dollars to influence election outcomes—all in secret. When there was a push in Congress to require disclosure of corporate spending on elections, armies of corporate lobbyists used their influence to kill it—and to keep the American people in the dark. The SEC is considering a proposed rule requiring public companies to disclose political spending, but I am very concerned that the rule is in the sights of many powerful interests.

Can you describe what you will do as SEC Chairman to make sure that corporations have to disclose the use of corporate resources for political activities?

To what extent will ensuring transparency over political spending by corporations be a priority for you?

A.23. I understand that the Commission has received two rulemaking petitions asking the Commission to require the disclosure of political contributions made by public companies. These petitions have received considerable attention, both from those in favor and from those opposed. The staff is reviewing the petitions to determine whether or not to recommend any rulemaking in this area. It would be premature for me to make an assessment of the merits of the petitions, or to pre-judge the disclosure requirement generally, without the benefit of the staff's review.

Q.24. As you know, last year, Congress passed the JOB Act.

What will you do to make sure that the SEC implements this legislation in a way that ensures investors will be protected?

What will you do to make sure that the SEC implements this legislation in a way that ensures sufficient transparency in our capital markets?

A.24. The rulemakings mandated by the JOBS Act represent new capital raising opportunities for companies of all sizes. I recognize, however, that the JOBS Act made significant changes to the securities laws. In connection with the implementation of the changes, it will be important to make sure that the Commission and its staff are focused on the agency's critical mission of protecting investors. The success of the JOBS Act, and the ability of companies to raise capital, will depend on whether investors understand what they are investing in and feel secure in making such an investment. It will be critically important to consider this as the rules are implemented, but also after the rules are in place. If confirmed, I would work with the Commission and the staff to implement a robust program to review the capital raising practices that develop as a result

of the JOBS Act and assess the impact these practices have on investors, capital formation, and the markets generally.

Q.25. Do you believe that the 1982 accredited investor standard continues to be appropriate in 2013, or do you think it makes sense to increase the threshold ($1 million in assets, $200,000 in income)?

A.25. I think it is very important for the Commission to undertake a thorough study of the current definition of accredited investor, particularly as it relates to the net worth and income tests for natural persons. The Dodd-Frank Act instructs both the Government Accountability Office and the Commission to study the definition. I believe that the insight and recommendations that come from those studies will be important components of the Commission's consideration of any possible rulemaking relating to changes to the accredited investor definition.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR VITTER FROM MARY JO WHITE

Q.1. What will you do to ensure that coordination is taking place between the SEC's uniform fiduciary standard of care for broker dealers and investment advisers and the DOL fiduciary rule that also seeks to regulate financial advice provided to investors planning for retirement?

A.1. I think such coordination and discussion is important, and if confirmed, I would encourage the staff to pursue coordination with DOL and other regulators.

Q.2. Do you know if anyone at the SEC has engaged in regular conversations with the DOL on this subject over the last year as Congress asked?

A.2. My understanding is that SEC staff has coordinated fairly extensively with DOL staff—including over the last year—on the question of how to implement a fiduciary standard and the practical effect for financial services providers, particularly broker-dealers, of operating under a fiduciary duty.

Q.3. The SEC's mission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. How would you balance these sometimes competing goals to insure that our capital markets remain the envy of the world?

A.3. As I noted in my testimony before the Committee, I do not believe that the three components of the SEC's mission should be viewed as in conflict with each other. While each is critical in its own right, they also are complementary. For example, a market with robust investor protections—protections that help to assure that investors will have the confidence to participate in the market—will create the environment for sustained and meaningful capital formation. Without these protections, and the investor confidence that comes with it, the markets will not attract the breadth and depth of capital that will enable our markets to flourish.

It is the responsibility of the Chair and the Commission to take the long-term view, balance the objectives when necessary, and seek to fulfill all parts of its critical mission. Then, our markets can thrive and investors will be protected and benefit.

Q.4. How much importance do you place on the careful analysis of the costs and benefits of any proposed rulemaking?

A.4. I believe that carefully analyzing the potential economic effects of a proposed rule is an essential part of sound rulemaking practice. Such careful analysis involves a qualitative and, where possible, a quantitative assessment of a rule's potential costs and benefits. As I stated at the hearing, I understand that it can be difficult to quantify certain economic effects of financial regulation, and particularly the benefits of such rules. But I believe we must make reasonable efforts to quantify the likely costs and benefits of a proposed rule, and if we cannot we should explain why.

Q.5. In a meeting with reporters you were adamant that Anthony Hargrove, a Saints defensive lineman, was shown saying, "Bobby, give me my money." You also told Peter King that you were sure it was Hargrove "because you can see his lips moving." You also said that as a prosecutor you had gotten convictions with less evidence. Roger Goodell said he now believes that Hargrove didn't make these comments. In his letter to the accused players after their appeal put doubt to these claims Goodell stated, "I need not resolve the issue of who made the statement. Instead, I am prepared to assume—as he apparently stated publicly—that he did not make it." Mr. Hargrove has been unable to find work in the NFL since your allegation. What does your insistence of Hargrove's guilt say about your credibility as an independent evaluator?

A.5. In meetings on June 18, 2012, in connection with disciplinary proceedings brought by the NFL, whom I represented, against Mr. Hargrove and other players, I presented a summary of the evidence obtained by investigators from NFL Security. On this point, I explained how the NFL investigators viewed the sideline footage that captured Mr. Hargrove and others. At the time, Mr. Hargrove had declined to be interviewed by NFL investigators or to otherwise provide evidence contradicting the NFL's findings, which was noted during those proceedings. Subsequently, Mr. Hargrove denied to the media that he had made some or all of the quoted statement.

In denying Mr. Hargrove's appeal, Commissioner Roger Goodell noted, in his July 3, 2012, decision, that the NFL investigators "reasonably concluded" that Mr. Hargrove was the speaker of the quoted language, but he would assume, as Mr. Hargrove asserted after the June 18 meetings, that he was not the speaker. As Commissioner Goodell also made clear, it was not necessary to resolve the issue to conclude that Mr. Hargrove had misled the NFL investigators as to the existence of a pay for performance/bounty program, which was the basis of the discipline imposed on Mr. Hargrove. In ruling on the players' ultimate appeals, former NFL Commissioner Paul Tagliabue, while vacating the specific discipline, affirmed both Commissioner Goodell's factual findings as to all players, including Mr. Hargrove, and his conclusion that Mr. Hargrove (and two of the other players) had engaged in "conduct detrimental to the integrity of, and public confidence in, the game of professional football." As an independent evaluator of evidence, it is always important to be open-minded and to take into account all of the relevant facts available to you, which is what I did.

Q.6. Ms. White, you stated that the punishments the Saints received were based on "multiple, independent first-hand accounts." How many of these accounts specifically mentioned a "pay for injury" program? And, did any of the witnesses have a vested interest in collaborating what the league was alleging?

A.6. As the record of these proceedings reflects, a number of witnesses stated that the pay for performance/bounty program rewarded injury-producing plays. The credibility of witness testimony must always be carefully scrutinized before reaching any conclusions; part of that scrutiny involves a consideration of any bias or self-interest. Here, the accounts of witnesses were credited where they were consistent with and corroborated by the independent accounts of other witnesses and/or the documentary evidence. As noted in response to Question 5, the factual findings of Commissioner Goodell were affirmed on appeal.

Q.7. What do you believe the FSOC's proper role is in money market fund rulemaking?

A.7. I believe that the next step on money market fund reform should occur at the SEC. If confirmed as Chair of the SEC, I would certainly be open to the views of FSOC members, as well as other interested parties, with respect to money market fund reform. However, the SEC is the primary regulator of money market funds and should take the lead in regulating the product.

Q.8. If you choose to go with a floating NAV for some or all funds, will you commit to working on the accounting issues and working through the tax issues with the IRS?

A.8. If confirmed, and the Commission were to propose requiring that some or all money market mutual funds transact with a floating NAV, I would seek to ensure that the SEC considered and worked to mitigate any potential accounting issues associated with such a reform. Further, I would seek to ensure that SEC staff worked with the appropriate tax regulators at the IRS and the Treasury Department to mitigate any potential tax issues associated with a floating NAV.

Q.9. In a recent speech, FRBNY President Dudley suggested that money market funds might be a good candidate for a Fed backstop. Do you agree with Mr. Dudley?

A.9. The fundamental nature of money market funds is that they are an investment product. Although I have not had the opportunity to study Mr. Dudley's speech in detail, my initial reaction is that, as investment products, they presumably would not represent the type of vehicle that should carry a backstop of the Federal Reserve Board. However, if confirmed, I would expect to explore this issue further with the staff, Commissioners, and other Federal financial regulators.

Q.10. Are you open to giving serious consideration to voluntary gating by fund boards as a potential reform?

A.10. I am open to a variety of potential reforms of money market funds that address the concerns that remain since the adoption of the SEC's important 2010 money market fund reforms. That would include giving consideration to voluntary gating by fund boards, as

well as other reform options. If confirmed as Chair, I would want to continue to study the issue—and the potential impacts of potential reform options—with the SEC staff and Commissioners.

Q.11. Some have argued that having an inadequate capital buffer is worse than having no buffer at all. Do you agree with that argument?

A.11. If confirmed as Chair, I would want to study the issue of capital buffers for money market mutual funds with the SEC staff and Commissioners and consider whether having a capital buffer of any size would be beneficial for money market funds and advance the Commission's investor protection and capital formation goals.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR JOHANNS FROM MARY JO WHITE

Q.1. You mentioned in your written statement as well as during the hearing that you intend to focus on equity market structure by first getting a better understanding of the market segments. As you know the SEC issued a Concept Release in 2010 about equity market structure, this Committee has held several hearings about equity market structure, the Financial Services Committee in the House of Representatives has held a hearing, the Joint CFTC–SEC Advisory Committee made recommendations about equity market structure and there has been several recent studies conducted by independent third parties such as Tabb Research and the CFA Institute about equity market structure. Given all of this work that has already been done, I believe the prudent step is to move forward rather than start over. Regardless as to what people believe should be done to address the cracks and lack of confidence in the U.S. equity market structure, it is clear that there is a problem and it should be addressed before all trading is done in the dark and investor confidence continues to decline. What substantive steps do you intend to take to address the increased level of trading in the dark and the lack of confidence in the public markets?

A.1. I agree that the SEC should take all steps necessary to promote investor confidence in the fairness and integrity of the equity markets. Equity investing inherently involves risks and rewards. Our equity market structure should be perceived by investors as a strength and source of confidence, rather than perceived as a risk factor in and of itself. As I noted in my testimony, today's high-speed, high-tech, and dispersed marketplace raises questions and concerns that must be addressed with a sense of urgency. While I agree that the Commission, other regulators, and Congress have done significant work on equity market structure, I have not yet had an opportunity to discuss these issues with the Commissioners and staff. I generally believe that the SEC should follow a path that will enable it to address market structure issues in a responsible manner as expeditiously as possible.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR TOOMEY FROM MARY JO WHITE

Q.1. The conflict minerals rule seriously impacts publicly traded companies, many of whom are trying to be compliant but are un-

clear on the timing of the rule. There was a somewhat ambiguous final rule, and I have heard that the SEC intends to release guidance to clear up these ambiguities. Can you just let us know what the timing is for the release of the guidance and the scope of the guidance?

A.1. The Commission adopted the Conflict Minerals rule in August 2012, and the Commission established a compliance date that requires issuers subject to the rule to file the first reports by May 31, 2014, for the reporting period covering January 1, 2013, to December 31, 2013. I understand that the staff has stated publicly that it has received inquiries from companies seeking interpretive guidance on the conflict minerals rule and that it is working to respond to the inquiries and hopes to provide guidance soon. I have not discussed the scope and specific timing of the guidance with Commission staff.

Q.2. What are your views on the Fed's proposed rules on foreign banks and specifically their impact on foreign owned broker-dealers?

Are you concerned about the case where a foreign firm does not own a U.S. bank subsidiary but the Fed is still seeking to set U.S. bank capital standards for the foreign firm's U.S. broker-dealer, via an intermediate holding company, on top of SEC standards?

Won't this have the effect of discriminating against foreign-owned broker-dealers?

As the new Chairman of the SEC, how would you address the Federal Reserves' attempt to override the SEC broker-dealer capital requirements?

A.2. The Federal Reserve Board has stated that its proposed rules regarding foreign banking organizations are consistent with its long-standing policy of national treatment and equality of competitive opportunity between the U.S. operations of foreign banking firms and U.S. banking firms. [1] Generally, I am informed that the proposal is meant to ensure foreign banking organizations maintain sufficient capital and liquidity within its U.S. subsidiaries on a consolidated basis, instead of relying on the strength of a foreign parent or guarantor.

Large U.S. bank holding companies, including those with large broker-dealer subsidiaries, are already required to meet the Fed's standards on a consolidated basis, while the broker-dealer is required to meet the SEC's standards. The Fed is proposing that the U.S. operations of certain large foreign banking organizations meet the same prudential standards as domestic bank holding companies at the intermediate holding company level, which also may include large broker-dealers regulated by the SEC.

I understand that certain foreign banking organizations have raised the issue of whether the Fed's proposed rules will discriminate against foreign-owned broker-dealers. It would be expected that the Fed would address any such comments it may receive in the context of its final rulemaking in this area.

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[1] The phrase "consistent with [the Fed's] long-standing policy of national treatment and equality of competitive opportunity between the U.S. operations of foreign banking firms and U.S. banking firms" is taken from the Fed's proposing release. *See,* Enhanced Prudential Standards and Early Remediation Requirements for Foreign Banking Organizations and Foreign Nonbank Financial Companies, Proposed Rule, 77 FR 76629 (Dec. 28, 2012).

I have not yet had the opportunity to discuss this issue with the Commissioners and staff. But if confirmed, I will do so and work closely with the Fed to ensure that its prudential oversight of foreign banking organizations in the U.S. at the intermediate holding company level would be consistent with the Commission's oversight objectives and with the safe operation of broker-dealer subsidiaries of foreign banking organizations in the U.S. securities markets.

Q.3. Should the Federal Reserve Board, OCC, FDIC, SEC, and CFTC all work together to ensure consistency and uniformity, and issue one set of final Volcker Rule regulations?

Should the SEC make finalizing the Volcker Rule regulation as a priority since the Federal banking agencies are further along in their process?

A.3. I understand that the Federal Reserve Board, OCC, FDIC, SEC, and CFTC are, in fact, working together closely to develop rules to implement the requirements of Section 619 of the Dodd-Frank Act, commonly referred to as the "Volcker Rule." I agree that, as recognized by Congress in the statute, inconsistent rules could provide advantages to, or impose disadvantages on, the different types of legal entities subject to the provisions of the Volcker Rule. In addition, commenters on the joint proposed rules have emphasized the importance of comparable regulations and have noted that diverging rules would increase regulatory burdens. I am committed to following the statutory mandate and will work closely with my fellow regulators to assure that our regulations are comparable and consistent. I understand that Commission staff and the staffs of the other regulatory agencies, along with Treasury staff in their role as coordinator, are involved in regular discussions on this rulemaking. Since the staffs of the various agencies are working together closely to refine the proposed rules in response to comments, I am informed that it is not the case that any of the agencies are further advanced than others in the process of adopting final rules.

Q.4. Will the SEC conduct a comprehensive cost/benefit analysis before any money market mutual fund rule is either proposed or adopted?

A.4. If confirmed, I will ensure that any SEC proposal for further money market mutual fund reform will contain a full proposed economic analysis (including a cost-benefit analysis) compliant with the staff's "Current Guidance on Economic Analysis in SEC Rulemakings", and would request comment on that analysis. I similarly commit to ensure that any SEC adoption of such money market mutual fund reforms would contain a final economic analysis in accordance with that Guidance. This Guidance is available at such money market mutual fund reforms would contain a final economic analysis in accordance with that Guidance. This Guidance is available at such money market mutual fund reforms would contain a final economic analysis in accordance with that Guidance. This Guidance is available at *http://www.sec.gov/divisions/riskfin/rsfi_guidance_econ_analy_secrulemaking.pdf.*

Q.5. The IPO On-Ramp, Title 1 of the Jumpstart Our Business Startups Act, is being used by many emerging companies in pur-

suit of public financing. Without such easing of up-front and ongoing regulatory burdens to incentivize companies to enter the U.S. public equities market, such companies would remain on the sidelines, failing to grow their businesses, create new jobs, and speed U.S. innovation. I am very encouraged by use thus far of the IPO On-Ramp and expect interest in entering the public market as an Emerging Growth Company to grow, as more companies are familiarized with its advantages.

However, I don't believe we should stop there. Do you agree that there is more to be done to give smaller public companies the tools they need to be successful—not only at IPO, but throughout their future as a publicly listed and traded company?

As Chairman, will you examine volume and liquidity issues of smaller public companies, acknowledging that a one-size-fits-all approach does not make sense, nor does it best serve our country and our economy?

A.5. I recognize that small companies play a significant role in the economic growth and job creation in this country, and believe that a strong initial public offering market would serve to encourage increased investment in small companies. The JOBS Act made significant changes to the initial public offering process for smaller companies, but I believe it is too early to tell what impact these changes will have on the initial public offering market. If confirmed, I would ask the staff to closely monitor these developments.

I do agree that consideration should also be given to address concerns raised by smaller public companies regarding the ongoing regulatory requirements facing these companies and the impact of market structure on the ability of these companies to grow and raise capital. I understand that a review of the public company disclosure requirements has been considered by Commission staff for a long time. If confirmed, I would seek to gather more information from Commission staff regarding this issue. Additionally, if confirmed, I would work with the staff to better understand the impact of the lack of post-initial public offering liquidity on small companies. I would like to learn from the staff's work on the impact of decimalization to understand the role that tick size plays on liquidity for small companies.

Q.6. We understand that the staff has been working on a final rule regarding municipal advisors. Can you tell us what stage the rulemaking is in and when the Commission may vote on it?

A.6. I understand that SEC staff is moving as promptly as possible to finalize the municipal advisor registration rules and that this rulemaking is the highest immediate priority in the SEC's newly established Office of Municipal Securities. The staff has indicated that it would like to present final rules for the Commission's consideration in the first part of this year. If confirmed, I will work with staff and my fellow Commissioners to finalize and adopt these important rules promptly.

Q.7. Many have criticized the municipal advisor rule as being potentially overbroad and covering industries that are already highly regulated. Are you aware of these concerns generally, and particularly those of the banking industry which provides such a broad range of services to municipalities?

A.7. I am aware of these concerns generally and understand that the Commission has received numerous comment letters that the 2010 proposed municipal advisor registration rules were too broad. I further understand that one of the major themes of the public comments concerned the potential effects of the proposed rules on traditional banking activities and that the staff is carefully weighing these comments as they develop recommendations for the Commission. If confirmed, I will work closely with staff and the Commissioners to finalize these rules in a balanced way to ensure protection of municipal entities and investors without overregulation. Additionally, I will give careful consideration to addressing overbreadth concerns in general with more tailored rules, and also will give careful consideration to the concern you highlighted regarding the potential impact on the banking industry.

Q.8. Are you concerned about the impact on municipalities if small banks decline to provide loans and other services to them because of the additional cost of complying with SEC regulation in addition to existing regulatory requirements?

A.8. I have not yet had the opportunity to discuss this particular issue with staff and my fellow Commissioners, but as a general matter, I am concerned about the costs and consequences of all SEC rules. I understand that the staff is working closely with staff in the SEC's Division of Risk, Strategy, and Financial Innovation to assess the economic impacts of the municipal advisor registration rulemaking as they develop recommendations for the Commission. If confirmed, I commit to reviewing this issue and I look forward to working with staff and the Commissioners to strike an appropriate balance to ensure protection of municipal entities and investors without unnecessarily imposing additional regulation, including careful consideration of the issue you raise regarding the potential impact on small banks and the services they provide to municipalities.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR MORAN FROM MARY JO WHITE

Q.1. Economic impact of new SEC rules and regulations can only be properly assessed by a comprehensive cost-benefit analysis. How will such a cost-benefit analysis be applied to rules such as the developing Consolidated Audit Trail? What will be the frequency and depth of this cost-benefit analysis?

A.1. I understand that the Consolidated Audit Trail will be implemented through a National Market System (NMS) plan that must be submitted to the Commission by the self-regulatory organizations (SROs) by December 6, 2013. The NMS plan must provide details regarding how the SROs plan to meet the requirements of the Consolidated Audit Trail rule adopted by the Commission. The NMS plan also must: (1) provide an estimate of the costs associated with creating, implementing, and maintaining the Consolidated Audit Trail; (2) discuss the costs, benefits, and rationale for the choices made by the SROs in developing the NMS plan; and (3) provide the SROs' analysis of the NMS plan's potential impact on competition, efficiency, and capital formation.

Once the NMS plan is submitted to the Commission, I understand the Commission would publish the plan for public comment. After considering any comments received, the Commission would need to determine whether or not to approve the plan. The cost estimates and analyses provided by the SROs in the NMS plan will help inform the Commission as it evaluates whether to approve the NMS plan and will help inform the Commission's own economic analysis of the Consolidated Audit Trail.

The Consolidated Audit Trail rule provides that, in determining whether to approve the NMS plan and whether the NMS plan is in the public interest, the Commission must consider the impact of the NMS plan on efficiency, competition, and capital formation of creating, implementing, and maintaining the national market system plan. I also understand that the Commission agreed to consider the costs and benefits of the creation, implementation, and maintenance of the consolidated audit trail pursuant to the details proposed in the NMS plan submitted to the Commission for its consideration.

ADDITIONAL MATERIAL SUPPLIED FOR THE RECORD

STEVE STIVERS
15TH DISTRICT, OHIO

FINANCIAL SERVICES COMMITTEE

Congress of the United States
House of Representatives

March 11, 2013

The Honorable Tim Johnson
Chairman
U.S. Senate Committee on Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 50510

The Honorable Mike Crapo
Ranking Member
U.S. Senate Committee on Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 50510

Dear Chairman Johnson and Ranking Member Crapo:

I write today to introduce Richard Cordray, my constituent in Ohio's 15th Congressional District and a friend of 20 years.

I have had the opportunity to see him in a number of roles, including that of an elected and appointed public servant. He served as Ohio's first State Solicitor, has represented the United States government before the U.S. Supreme Court on a number of occasions, and served in two statewide positions in the Buckeye State – as State Attorney General and State Treasurer. Regardless of the office he has held, Rich has always proven himself hard working, collaborative and pragmatic.

As Director of the Consumer Financial Protection Bureau (CFPB), Rich Cordray has not sought headlines or notoriety; rather, he has built the organization while working on the agency's mission.

Despite the constitutionally-questionable method by which he came to this position, of all of the nominees President Obama could now select for this position, Rich Cordray is one of the few who might be able to bridge the policy differences.

I share the concerns of many about the budget, structure and oversight of the CFPB. I look forward to the day when the CFPB is led by a board of directors and is subject to the appropriations process. However, if you take the time during these hearings to evaluate Rich's character and disposition, you will find him to be an individual who listens to your opinion and seeks mutually acceptable solutions.

Please give Rich Cordray thoughtful consideration for confirmation.

Sincerely,

STEVE STIVERS
Member of Congress

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